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THE

# Struggle for Bread.

BY LEIGH H. IRVING.

Author of "The Iron Highway" and "Labor Problems."



PUBLISHERS

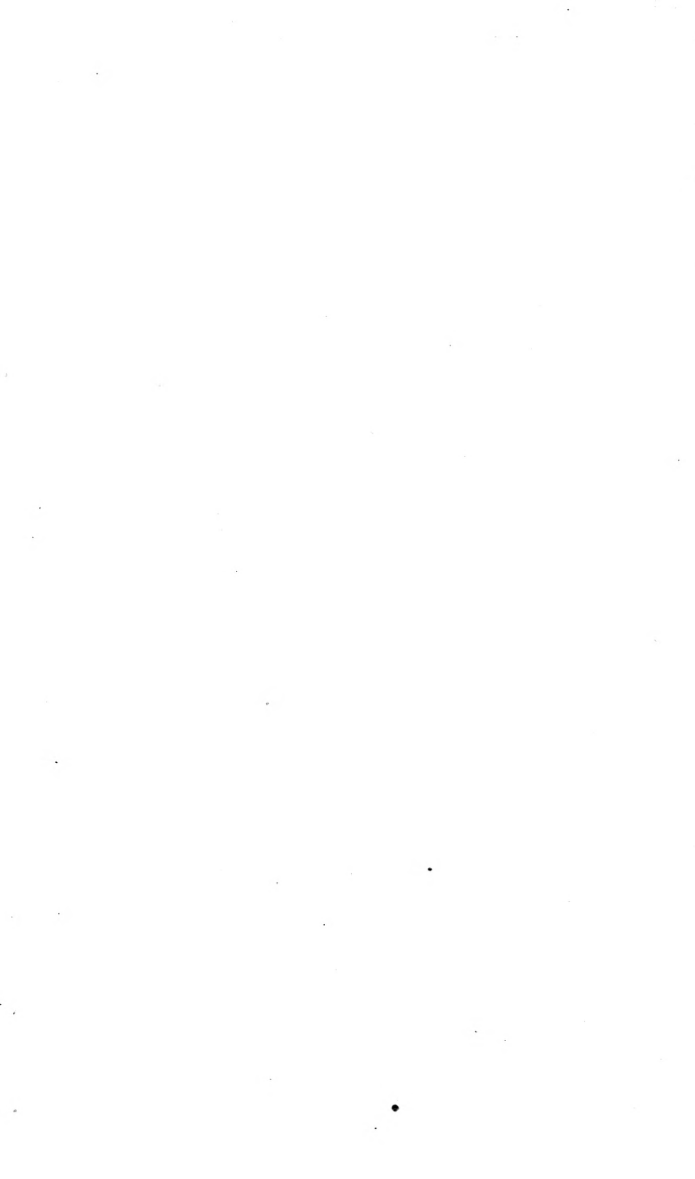
THE MORNING TIMES COMPANY

OAKLAND

THE SAN FRANCISCO NEWS COMPANY

SAN FRANCISCO

1892





# THE STRUGGLE FOR BREAD:

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AN IMPARTIAL DISCUSSION

OF

SOME OF THE WRONGS and RIGHTS OF CAPITAL AND LABOR,

TOGETHER WITH

An Analysis of Industrial Depressions as Related to the  
Present Railway System.

ALSO,

A GLANCE AT CO-OPERATIVE PROFIT-SHARING, AN ANALY-  
SIS OF HENRY GEORGE'S LAND FALLACIES, WITH  
THOUGHTS ON SOCIALISM AND THE FUTURE  
OF LABOR, CONTAINING NOTES AND  
TABLES ON THE SOCIAL CONDI-  
TION OF THE PEOPLE.

5  
BY LEIGH H. IRVINE,  
AUTHOR OF "THE IRON HIGHWAY" AND "LABOR PROBLEMS."

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PUBLISHERS:  
THE MORNING TIMES COMPANY,  
OAKLAND.  
THE SAN FRANCISCO NEWS COMPANY,  
SAN FRANCISCO.

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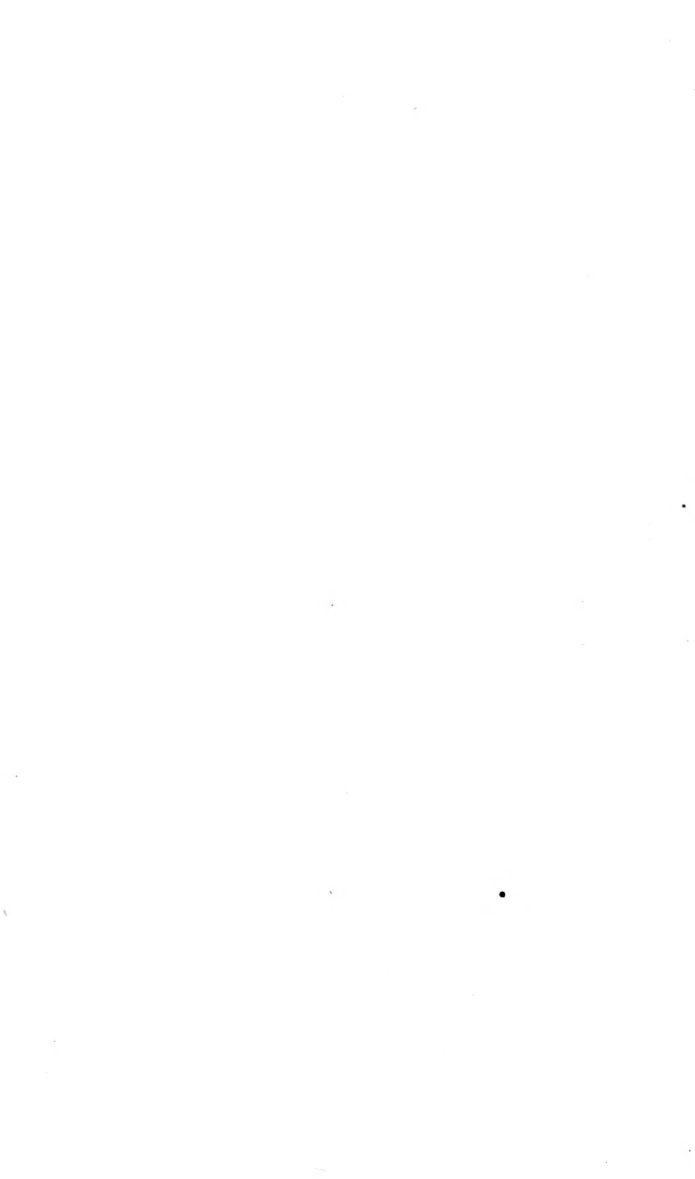
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## TABLE OF CONTENTS.

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[SEE ALPHABETICAL INDEX AT END OF BOOK.]

CHAPTER.	PAGE.
I. BARONS AND BAREFEET,       -   -   -	7
II. THE STRUGGLE FOR WEALTH,   -   -   -	25
III. THE RAILWAY PROBLEM,       -   -   -	47
IV. PRIVATE OWNERSHIP OF LAND,       -   -	74
V. REVOLUTIONARY THEORIES,       -   -   -	96
VI. MODERN TRUSTS,           -   -   -   -	108
VII. THE FUTURE OF LABOR,       -   -   -	116
VIII. UNIONS AND PROFIT-SHARING,       -   -	130
APPENDIX,   -   -   -   -   -   -   -	153



## P R E F A C E .

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THE facts and figures presented to the reader in this little volume belong to everybody. It would be as foolish, therefore, for me to call a great part of the book original, as for the compiler of an arithmetic to call the multiplication table his own invention.

I have simply stated somewell-known truths in a popular way, for I do not pretend to be a specialist in the field of economics and social science. I believe that workingmen in overalls should know just such things as are here prepared for their information. The business man as well as the careful student will find, in the notes and throughout the text, many statistics which are invaluable in the study of the so-called labor problem. The form of the book makes it specially convenient for persons who want a manual of reference in public speaking. I cannot close without again emphasizing the importance of the notes. The student should not omit to read them. Sincerely,

LEIGH H. IRVINE.



# CHAPTER I.

## BARONS AND BAREFEET.

### INTRODUCTION.

ARE THE EVILS IMAGINARY?—THE PAST—INCREASED COST OF LIVING—IS THERE WORK FOR ALL?—INDUSTRIAL DEPRESSIONS DEFINED—HARD TIMES IN THE UNITED STATES IN 1837, 1847, 1857, 1867, 1873, TO 1878, AND 1882 TO 1887—1,000,000 IDLE PEOPLE IN 1885—AT THE THRESHOLD OF THE PROBLEM.

THE American Republic stands alone in one respect in the world's history. Nowhere has the right of free discussion of public questions been carried to the extent which it has among us. Here we are free to peaceably express our views at all times on men and measures, subject always to the law against libel and slander. From the country debating school to the workingmen's union and the political meeting, there may be found every grade of opinion. It is in the spirit of serious inquiry that these pages are written. I have no wish to abuse that liberty

which extends to me the right to discuss public questions, but my whole desire is to present the truth in so far as it lies in my power so to do.

At the threshold it may be asked what are the social and economic questions that demand solution? Do the strikes and lockouts, the riots, mobs, and industrial depressions indicate such deep-rooted discontent as presages a bloody strife between capital and labor? Is it necessary to attack the foundations of our Government to reach industrial peace and safety, or have we under the present system such resources and remedies as will reach the evil?

These are some of the problems demanding solution. It is necessary to survey the signs of the times. At the outset, it will not do to make rash assumptions on either side, or to charge all of our evils to the foreigners in crowded centers who have often encouraged discontent and strikes. It would be unsafe to say that the masses of the people are steadily going down,



that the entire poor population is drifting to ruin. So it would be equal folly to deny the growth of trusts and other evils of monopoly, for the people's complaints against them can no longer be pushed aside with insolence and answered with a laugh.\* There is on the other hand a

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\* In the catalogue of modern evils not the least harmful is the growth of Nationalism and other forms of Socialism, whose inevitable result would be the overthrow of individuality, and the despotism of government so admirably portrayed by Herbert Spencer. These creeds appeal to the ignorant masses on the one side and to theoretical enthusiasts on the other. In an age when the wrongs of monopoly are numerous, and when the rights of individuals are often curtailed by corrupt combinations of the money-power, the seeds of Socialism readily take root.

The rapid growth of this country and the enormous aggregation of colossal fortunes have overthrown old methods. The present is an era so different from the provincial period in which our ancestors lived, that the oft-heard comparison of "old times" and "old wages" with the present can no longer be maintained. The catalogue of expenditures is enlarged on every side, while the production of wealth and its distribution are wholly unlike anything in the past.

I believe that the coolest thinkers admit that there are important social and economic questions now de-

large class of people who like to speak of "the good old times of the long ago," as if

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manding thoughtful consideration, and questions, too, almost unknown in the old ages; but they cannot be solved in a day. Their settlement demands patient investigation, the best wisdom of honest statesmanship, and a constant regard for the rights of vested interests. Evils that attend this age of wonderful production, and that involve our social institutions as well as the culture and happiness of the people, cannot be remedied by a sudden and sweeping revolution, for it is an old truth that remedial justice is as slow in growth and adaptation to existing conditions, as is the growth of the wrongs against which it is directed. In a republic such as ours there cannot arise the necessity for the subjugation of all wills to the one tyrant will of sovereignty, for that is the relationship of master and slave. This new Nationalism is but another name for old Socialism, and it would destroy the incentives of the noblest men. It would rob individuals of their motives and paralyze the vast enterprises born of the spirit of venture and individual investigation.

Denison, an English observer and worker, incisively remarks that no ballot, nor manhood suffrage, nor confiscation of property, will ever make an ignorant man the equal of an educated man. No political dodge can reverse the decrees of nature; no municipal law can abrogate the supremacy of mind, nor deliver brute matter from its eternal subjection to it.

In an address before the American Social Science

flesh and blood never suffered the pangs of poverty and oppression in the past. They forget that a few centuries ago kings of the Old World did not live half so well as artisans of to-day. They do not re-

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Association at Saratoga, N. Y., in November, 1887, F. J. Kingsbury, of Waterbury, Vt., aptly said: "I am old enough to remember when our workingmen and workingwomen were our native-born population; when the manufacturer, if his credit was good enough, frequently borrowed his capital from the man whom he hired as a workman, who preferred his fixed days wages to the risks of business, but was very glad that some one else was willing to take that risk and to give him employment and interest for his money; when strikes and strikers would have been scouted with contempt; when the workman was a MAN or *woman*, as the case might be, who had his own plans for the present and future, who lived in his own house and knew what to do with his money. He had read in Poor Richard's Almanac, 'Spend one penny less each day than thy clear gains,' and he saw the point of it. Where are those men now? They and their sons are the capitalists, and financiers, and bankers, and merchants, and clergymen, and professors, and lawyers, and doctors of to-day; and the women are their wives and mothers. And what had they that the present generation of laborers lack? Only three things, and they are these: Industry, Honesty, Thrift."

member that a hundred years ago fire, and light, and cooking conveniences, were almost unknown in America; that there was no gas or coal; that spinning and weaving, threshing and reaping, were unknown arts; that pine knots and tallow candles were fair representatives of the destitution and poverty of the times. In those old days they had their special forms of poverty, in our age we have ours. Civilization has left its train of evils, and while the masses are wealthier and wiser, longer-lived and happier than ever before, it is doubtless true that there are points of contact in the struggle for bread where human life is lost, where the rudimentary instincts of barbarism crop out, and where men slaughter their fellows for the Almighty Dollar. It is in such instances that remedies are needed, for these evils give Socialism a leverage. They are the food upon which discontent and anarchy grow fat.

Industrial depressions have afflicted us in America about every ten years since

1837. Some thinkers have held that the sudden multiplication of our wants (or necessities) has overtaxed the people, and that the enormous production of varieties of food and clothing which were unknown in past ages has made the masses extravagant. It is true that the amassing of tremendous private fortunes and the growth of corporations have greatly increased the manufacture of old and new articles of consumption, and it seems reasonable to conclude that men's expenditures are larger than in provincial times; but statistics also show that their earnings are greater. Other causes than extravagance have always caused our industrial troubles. Extravagance usually affects the individual at home, rather than the people as a whole.

The advocates of all plans for a reformation of existing abuses can agree that our age has no precedent in the annals of history. All forms of wealth are produced as never before, and new forms of use and beauty are molded for man's comfort and

convenience.\* The country is no longer a wilderness, an expanse of separate and isolated localities, characterized by local customs and provincialisms, but it is a net-work of cities and towns, united by railways ever growing, over which "winged giants" transport passengers and freight at an enormous rate of speed. All of these American cities, villages, and agricultural communities, constitute a republic of markets and customs, which, more intensely than in the past, are permeated by a common spirit. A flash of the wires often determines the price of commodities, and the new conquests of inventive genius make obsolete the vocations of yesterday, or call new trades into being. We can order Parisian *trousseaux* by galvanic speech and have the luxuries of the world at our marriage feasts quicker than our simple forefathers could send their humble home-

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\* The census of 1885 for the commonwealth of Massachusetts seeks to show the divisions of labor that make the industrial features of this age. The classification shows more than 20,000 designations.

spun across a half-dozen counties by ox team or pony express. The luxurious surroundings of our people and the existence of many comforts which have been made possible by science have extended our lists of necessities. The equipments demanded by moderately well-to-do classes would have been the height of extravagance a few generations ago. The citizen is called upon for larger expenditures than in the past, and probably for more extensive outlays than the average earnings of our population will buy.\* This is one frequent cause of complaint by the masses. They cannot have as many comforts as their wealthy friends, and with the increase of wealth around them they realize with chagrin that their incomes will not enable the purchase of

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\*As W. D. Howells, the novelist has strikingly said in "Annie Kilburn," "No one was meant to work in a mill all his life. What the working people want is rest and what they need is decent homes where they can get it." See Chapter VIII of this book where it is shown that labor is being emancipated gradually by the growth of machinery.

many things which would add to their comfort or attract the attention of their neighbors. Men are, after all, much like children, ever jealous of others, whose toys they envy. Whether a top or a new horse and buggy, a doll or a bicycle, the spirit is one.

Having cursorily reviewed some of the signs of the era and noted some of the minor grounds of complaint, let us now examine that definition of hard times which is often given by prosperous people, to wit: "Hard times is the constitutional laziness of idlers who growl because thrifty men become rich." The most limited acquaintance with history will show that there are times of real suffering by large masses of the people, and these periods of business failure and idleness of workingmen are called industrial depressions. At such times industrious and trustworthy people often suffer while the authors of commercial crimes become rich. The stories of our statisticians, supplemented by the reports of commissioners of labor



throughout the Union are at times as pathetic as the pictures of Victor Hugo, in "Les Miserables." The "want" advertisements in the great daily newspapers, and the crowded employment bureaus from New York to San Francisco, are evidences that if there is work for all, there are often great and seemingly cruel inequalities in its distribution.

Recent articles in the editorial columns of the New York *Herald* show that in response to one advertisement for a clerk, salesman, or mechanic, there have been three or four hundred letters from eager searchers for something to do. An advertisement in the New York *World* for a steward, at a small salary, brought nearly three hundred replies. The San Francisco *Examiner* which has been a steadfast and powerful friend of wage workers under the management of Mr. W. R. Hearst, recently opened an employment agency for the benefit of unemployed men and women, charging no fee to employer or employe. As a result its

bureau has been overrun with those eager to become bread winners, but it was impossible to supply half the applicants with positions.\*

In his report for 1886, Charles F. Peck, labor commissioner of New York, says: "It would be an almost impossible task to arrive at the true number of unemployed, or even at a fair percentage, in a large city like New York. No attempt was made to secure it. For the purposes of this report it was only deemed advisable to show the falsity of the almost universal opinion that there is work for all."

But such facts are only repetitions of history. So long ago as 1817, Lord Brougham pictured in fervid eloquence the industrial depression then harassing England, and he said: "We have known times of former suffering, but no man can find an example of anything like the pres-

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\*The *Examiner's* bureau found positions for 650 applicants the first two weeks of its existence and nearly 1,000 applicants still crowded its rooms. At the end of four months nearly 5,000 positions had been obtained for workmen at the bureau.

ent. There was great distress in 1812, yet compared with the wide-spread misery of to-day, other periods of distress rise into eras of actual prosperity."

And yet the English hard times of 1817, severe as was the suffering, constitute but one instance in many eras that taxed the poor fund of that country as well as the wisdom of its statesmen.\* Our own great industrial depressions date no further back than 1837, but since then they have recurred regularly at intervals of ten years until 1873, when a siege of five years of universal industrial depression began which remains a dark spot in the memory of many men now in business. From 1878 to 1882 we had universal prosperity, but with 1882 began a repetition of the stagnation of 1873, which diminished in intensity in 1887-8. The foregoing facts belong to the history of the times, as seen in the reports of the United States Labor

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\*For a vivid picture of the English poor a few generations ago see Macaulay's *History of England*, Vol. 1. See Thorold Roger's "Six Centuries of Work and Wages."

Bureau; but I have often been surprised to see sensible men put their memories and their limited individual experiences against the careful conclusions of scholars whose work is patient and whose results are supplemented and upheld by the researches of trained corps of fact-gatherers in the statistical departments of the Government. In questions that require wide generalizations, the limited observation of individuals is next to useless.

The current events of the times indicate that the conflict between labor and capital as the trouble of wage workers with employers is usually called, is almost unceasing. In 1886, there were 1,900 strikes in the State of New York. There were 9,861 firms in the strikes that occurred in the United States during the same year. In the strikes in the United States from 1880 to 1887, inclusive, 22,304 establishments were involved, affecting 1,323,203 employes. During the same years there were 2,214 establishments in which lockouts were ordered, and 160,823 employes were

thereby set adrift. Of the strikes 82.24 per cent. were ordered by labor organizations and of the lockouts 79.18 per cent. were ordered by combinations of managers. The average days closed to business by strikes was 23 and by lockouts 28.4. The strikers gained their points in 10,375 establishments or in 46.52 per cent. of the whole, and part success was gained in 3,004 cases or 13.47 per cent. of the whole. In lockouts the gain by employers was only in 564 instances or 25.47 per cent.

In 65.99 per cent. of the strikes for higher wages, the strikers were successful. The estimated losses to strikers for the period involved were \$51,814,723 and to employes through lockouts \$8,157,717.

A valuable aid in the study of the problem of bread winning as allied to distressed labor, is the report for 1886 of Carroll D. Wright, United States Labor Commissioner. It is an unpartisan account of the condition of wage earners. By this report it appears that seven and one-half per cent. of the mines and fac-

tories of the United States were idle or equivalent to idle for the whole of the year 1885. In round numbers there were 255,000 of these establishments, employing upwards of 2,250,000 hands. By this percentage (seven and one-half) there were 19,129 idle institutions and 168,750 hands out of employment. By the same report there were in round numbers ONE MILLION IDLE PEOPLE during 1885, in four great pursuits, viz.: agriculture, trade and transportation, mechanical and mining industries, and manufactures [census classification]. The commissioner says by "unemployed people," as he uses the term he means "those who, under prosperous times, would be fully employed, and who, during the time mentioned, were seeking employment."

One million idle people cripple the consumptive power of the country by a loss of \$300,000,000 annually, for they fail in earnings to the extent of \$1 each per day, or a total loss of wages of \$1,000,000 daily, exclusive of Sundays and holidays.

Mr. Wright alleges that this loss alone caused a reaction in business, from which resulted apprehension and alarm.

Do not the foregoing facts show that there is a problem of distressed labor in America? It is true that hard times are not permanent, nor does the depression affect all labor, but there are instances of great suffering. The conservative complaints of those who suffer from the outrages of monopolies, trusts, and selfish combinations cannot be dismissed with the assertion that dissatisfaction is anarchy, that redress is impossible, and that the evils complained of are wholly imaginary ones. The theories of optimists cannot palliate the suffering entailed by poverty upon a considerable part of the population, nor can the frequent and serious blunders of misguided workingmen prevent the recognition by the public of their real grievances when they arise. As Col. Robert G. Ingersoll so beautifully says, in the *North American Review* for March, 1886:

“The truth is to-day what it has always

been, what it always will be. Those who feel are the only ones who think. A cry comes from the oppressed, from the hungry, from the downtrodden, from the "unfortunate, from men who despair and from women who weep. There are times when mendicants become revolutionists, when a rag becomes a banner, under which the noblest and the bravest battle for right."

Abandoning, then, all socialistic theories of a reformation of the world, also the unjust position that labor has no wrongs, and that the whole people have no just complaints, let us survey the facts themselves and leave the mazy depths of theory to dreamers. Abstaining alike from the excesses of speech in which out-cast Europeans, whose names end in "ski" denounce *all* law and from the censure of those millionaires—fortunately not all of them—who view with cold unconcern the sufferings of the poorer people, let us follow along in the path of simple truth. What of the signs of the times?



## CHAPTER II.

### THE STRUGGLE FOR WEALTH.

ENORMOUS PRODUCTION CHARACTERIZES THE AGE—  
STEAM SUPPLANTS MUSCULAR ENERGY—TRUSTS  
AND MONOPOLIES THAT ROB THE MASSES—ARE THE  
POOR GROWING POORER AND THE RICH RICHER?—  
INCREASE OF WAGES—MODERN FEUDALISM.

Notwithstanding the fact that the production of wealth in the United States is greater than ever before, its distribution is often unjust. This is due to many evils which may be traced to the door of monopoly, which often oppresses not only the laborer but everybody. While the wage worker of 1881 received thirty-one per cent. more than the wage worker of 1860 the increase in his earnings did not keep pace with the increase of production. He did not always get his equitable portion of the profits of industry, if you stop to consider the elements he contributed. In other words, in 1880 the country's production was \$43,000,000,000 (billions) as

against \$16,000,000,000 (billions) in 1860, a growth of 170 per cent. In 1880 our manufactured products alone were \$5,300,000,000, a figure showing a much greater increase over the manufactures of 1860 than the 60 per cent. increase in population accounts for. Wealth has outrun population.

It has been frequently stated that the kings of Wall Street made \$80,000,000 in 1880, and about the same sum in 1885, although that year there were 20,000 idle factories and nearly a million idle employes searching for employment in four great pursuits. [See previous chapter for details.]

It requires but a glance to prove that the substitution of steam-propelled machinery for muscular energy continually increases the amount of production, and that, as Mr. Thorold Rogers has shown in his valuable "Six Centuries of Work and Wages," the cheapening of necessities, with few exceptions, follows,\*

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\* On page 496 of his great work Mr. Rogers says:

but the ownership of vast manufactures has of late years led to the formation of engines of oppression known as trusts, whose object is to keep up the prices of food products and clothing.

There are but three ways of gaining wealth—by gift, by industry, and by theft. Gift includes a finding; industry includes every mental, physical, and moral activity; and theft includes all wrongful getting of property. Now, the question that arises in the mind of every thoughtful observer is, "How are the gigantic fortunes of the United States made?" Which of

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"It is easy to prove that the great movement of modern days, the employment of mechanical in the place of human forces, operates ultimately in cheapening produce and in bettering the wages of labor. But until that is brought about, the producers on the old lines may be subjected to severe privations. Nay, unless precautions are taken against the abuse of labor on the part of employers, it is very possible that the mass of those who work under the new system may sink into a lower position than that which they previously occupied when they were engaged with the old."

I cannot too often repeat that this work is invaluable to students. Mr. Rogers' book contains accurate information for six centuries.

the three methods of property-getting is the most useful to the stock gamblers, and to men like Jay Gould, who once testified in detail how much it costs to buy an average legislature? The crucial test, which assigns wealth-getting to its proper classification, is found in one question: What equivalent does the money-maker render to society for the wealth he takes from it? When men who are worth millions combine their wealth to corner the products of industry, raise the price of necessities to an extortionate rate, and thus impoverish the people, they certainly grow rich in a wrongful manner. The problem is how to prevent combinations of wealth for harmful purposes, without interfering with proper individual liberties. It will hardly be said that the suppression of these abuses is an interference with the liberties of citizenship. The Government in this country has a right each year to assume larger powers with the growth of civilization, and to assume greater supervision for the welfare of the people.

The prohibition of stock gambling, trusts, and pooling is a proper function of the same government that has the right to punish counterfeiting, levy taxes, prohibit gambling with cards in States, and provide for the general welfare of its subjects. All unjust combinations of wealth for the purpose of making monopolies of products should be prevented by the enactment and enforcement of penal codes against them. It is encouraging, in this connection, to see that the United States Commissioner of Labor, in his report for 1886, strongly urges the prevention of cornering and trading in futures, but he aptly adds that the attempt to make any law "to prevent men from engaging in the unholy work of speculation in food products, especially, and in bringing pecuniary responsibility to operations in futures, will be found to tax the ingenuity of the law maker." In concluding his admirable report on this subject, he says: "It is to be hoped that some efficient means may be found which shall destroy the ability of men to work

public harm through such kinds of speculation."

Many courts have held that these combinations are unlawful conspiracies, but the attempt to prevent their operations has seldom proved successful.

Instances of the injurious effects of such combinations are so numerous as to render their enumeration unnecessary, yet a few citations are not out of place. In Pennsylvania Governor Pattison was, in October, 1886, struggling to dissolve a giant coal pool, by which railway companies and coal mining companies foisted the price of coal in the very face of a constitutional provision enacted to restrain such evils. In his letter to the attorney-general of the State the governor says: "For long periods this combination has kept the mines running on three-quarter time, thus putting nearly one hundred thousand workers on what amounted to three-quarter pay. . . . It has maintained the price of coal at figures ranging more than \$1.00 a ton over and above the

prices at which it sold the same article to consumers further from the mines. . . . It has advanced the charges for transportation in the face of the fact that the net earnings of the carrying companies belonging to the combination amounted to about 19 per cent. per annum of the cost of the roads and their equipment; and of the further fact that charges are higher than they were twenty-six years ago, though the cost of transporting a ton of freight does not to-day amount to more than one-third of its cost at that time. . . . Against such combinations the individual is helpless. . . . It prejudices and oppresses individuals."

In 1886 Jay Gould bought seventy coal mines lying within a radius of fifty miles of St. Louis for the purpose of killing all competition, so that the gains coming from the sale of coal might be whatever he dictated. Though the price of coal was raised the wages of miners received no corresponding increase.

In October, 1888, there were seven hun-

dred shivering workingmen on the streets of Williamsburg because the sugar trust which closed De Castro and Danner's great refineries decided to lessen the sugar supply of the United States. The workingmen were driven face to face with a winter of starvation in order that the barons might squeeze a few millions from the consumers of sugar. In 1887 the hearthstones of laboring men were made desolate by a similar conspiracy of greed and monopoly. The pathos of the situation was indescribable—women and children in want and tears because the Shylocks closed their refineries. The sugar trust is but one instance in many like it. A few rapacious millionaires, not content with more money than they can spend wisely or decently, conclude that food products shall not be plentiful and cheap, and the people are charged extortionate rates while the hand of Toil is palsied by idleness.

The capitalist often makes a claim that as the business is his own he may run it as he wishes, irrespective of the rights of



workmen whom he regards as a species of serfs. The trusts thus close at any time they see fit to do so. The reasoning by which they uphold themselves is fallacious for no business belongs wholly to the employer. Every business partakes of the elements of a joint concern: E. P. Cheney in the "Political Science Quarterly" for June, 1889, thus states the case:—

"The employer furnishes the capital and the general management, while the employe furnishes the labor and such individual management as may fall to the lot of the function he fulfills. Their joint product is divided between them. Neither from an economic nor from a social point of view can the laborer be properly looked upon as co-ordinate with the machinery and the raw material. He is rather co-ordinate with, though performing less elevated functions than, his employer. If this is so, then the demand of the employes that none but union men be engaged, that such and such shop rules be enforced, and similar claims, are not an undue interference with the employer's affairs but simply a demand for certain changes in an affair of joint interest to the two parties."

Again, he says: "This idea, that any aggressive action on the part of the employes is an undue interference with the private affairs of the employer and must be punished on his behalf by the public courts, seems to be distinctly a survival from a period when the courts served largely to keep the employed class in subjection to the employing class."

Recurring to the question of the distribution of wealth it is easy to show that while wages have increased, the bulk of wealth of this country is inequitably divided. There are too many rapacious millionaires, who, while thriving under forms of law, insidiously threaten the welfare of the country by cultivating the desire for Cæsarism in the financial world. The man in overalls and shirt sleeves, equally with the student of economics sees the rapid concentration of wealth in forms that wreak evil upon the masses. He sees vast corporations, trusts, and syndicates, growing powerful by criminal conspiracies, ruinous to the welfare of the people; he hears of land grants to railroad

companies, and he sees laws made by the servants of corporations, who serve at the beck and nod of their masters. Beholding all these things he asks those questions born of a desire to see justice done to all men. Is it, after all, a wonder that the masses turn from the loneliness of the night of hard times toward Socialism and Nationalism? These forms of relief have just enough poetry and promise in them to win many a helpless wanderer who longs to flee from the awful heat and glamour of the industrial warfare. If they are mild forms of slavery at best, the careworn traveler feels that they cannot be worse than the inequalities of the present system. Just here is why the evils that cry for redress should receive more attention at the hands of the entire people.

The strikes and lockouts cost money, and the trusts are more expensive than the strikes. So long as these industrial wars and abuses continue the production of the country is either lessened or diverted into wrongful channels, and when

peace is declared, if ever, there will be less to divide than if there had been equity from the start.

Let us get at the base of the wrongs that are done in the name of the law and to the disadvantage of the people. Why is there industrial war? What is its object? The fight is for a more equitable division of the constantly increasing wealth of the country. The laborer says he is not getting enough, while the capitalist insists that the laborer should be content with his wages, which, he says, were never so good in the history of the world. The capitalist says to the laborer, "Why do you complain? You earn as much as you ever did, do you not?" The workman replies, "And you get more than you ever did, do you not? There is more wealth in the country than there ever was, and we have helped to create this wealth. We do not want it all, but we want a larger share of it than we now get." Does the laborer make out a case, or must we believe without question the capitalist's

claim that he is liberal enough to pay every cent that is in justice the working-man's right? The history of the growth of labor unions from the earliest times in England shows that capital, left to itself, forces wages to a bare subsistence.\*

If the wealth of the country is greater to-day than it was yesterday, of course there is more to be divided among those entitled to it, but the question is, "Whose wealth is it?" The laborer says he wants more because there is more, and that he helped to create the enlarged wealth. Is he entitled to an increase, and if so, why? As heretofore shown, the material wealth of the country increased from \$16,000,000,000 to \$43,000,000,000, or 170 per cent., from 1860 to 1880, but owing to inequalities of industry, an equitable distribution would give some individuals much

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\*Thorold Rogers says, page 400 of "Work and Wages," referring to statutes against laborers, after the plan of the statute of Edward VI.: "The imaginary offense which employers and lawyers invented for the purpose of keeping wages low is on a par with the crime of witchcraft."

more than others. How much more than his share has the greedy monopolist obtained? The workingmen claim that they are justly entitled to more of this wealth than they are now getting, and it becomes important in this connection to know just what they now get, and what they got in the past.

That wages have increased is proved by the most casual glance at the figures. There is, therefore, part fallacy and part truth in the oft-repeated statement that the rich are growing richer and the poor, poorer,\* first stated by Karl Max, the socialist, and lately rejected by Henry George, the land agitator.

In Great Britain the income tax schedules furnish reliable evidence as to the number of persons whose incomes in this country are increasing and diminishing.

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\*By the report of Mr. Ford of the Congressional Investigating Committee the 5,000,000 people of New York pay \$20,000,000 annually to support the paupers of that State. Since 1,000,000 of the population are wage earners their share per capita to support paupers was \$20 annually.

By that table there were three and one-half times as many persons in 1879 with an income of \$750 per annum as in 1850; three times as many with incomes from \$1,500 to \$2,500; two and one-half times as many with incomes of \$2,500 to \$5,000; two and three-fourth times as many from \$10,000 to \$15,000, and two and one-half times as many with incomes from \$5,000 to \$10,000, while during the same era population increased only 33 per cent. The laboring class whose annual incomes are less than \$750 averaged in 1850-51 \$265; in 1881 the average had risen to \$415. More than 180,000 persons had ascended from the poor class into the class paying an income tax. The incomes of those who have less than \$750 a year increased in forty years 130 per cent. Each family among the poorer classes in 1843 had about \$200 a year; but in 1851 \$290, and in 1880, \$500.

Mulhall in his "Dictionary of Statistics," page 28, gives the number in each million inhabitants as seen in the following table:

	\$1,000 to \$5,000.	Over \$5,000.
1812.....	3280 .....	34
1850. ....	3059.....	56
1860.....	2896.....	53
1870.....	4139.....	67
1880.....	6225.....	88

The wages of cotton operatives in Massachusetts were, in 1840, \$175 a year with 13 hours' work; in 1883, wages were \$287, and hours 11.

In the United States the most trustworthy returns show that the average increase in wages since 1860 is 31 per cent., and in Massachusetts, 42 per cent. in some vocations. During the same period the purchasing power of money has increased. It has been estimated by Dr. W. T. Harris that the prices of necessaries are on the whole a little lower now than formerly. He says that the chief articles that affect the cost of living rank as follows in their power to raise or lower the said cost of living: grain counts for 25 per cent. of the aggregate consumption; meat for 16; iron and steel wares for 7; dairy products for  $6\frac{1}{2}$ ; cotton goods for 6; lumber for 5;



woolen goods for 4; and all other items for less. Each must be estimated at its percentage. Continuing, Dr. Harris says: "Taking the twenty items that comprise 90 per cent. of all human industries the result is found that prices of the period from 1841-50 are over 5 per cent. higher than those of 1881-4. Meat has risen but grain has fallen. Agricultural products average somewhat higher prices. Manufacturers are much lower."

All statistics of wages must be faithfully compared with "price levels," showing the cost of necessary articles of food, clothing and creature comforts.

In this connection it must be borne in mind that increased production has not only raised the scale of living, but it has employed more people. Thousands of men are engaged in new industries which were unknown before labor-saving machinery. The following interesting facts are from the census of the United States for 1880:—

	1850.	1880.	Per cent. of increase.
Hands employed in manufactures	957,059	2,732,595	185
Amount of wa- ges paid	\$236,755,464.	\$947,953,795	300

In England the greatly increased consumption of food products shows the larger earnings of the poor. The wages there from 1840 to 1881, according to Giffin, increased from 30 to 100 per cent., while the hours of work diminished 20 per cent. The increased deposits in saving banks in England and America indicate greater prosperity of the masses than in the past.

The following table, carefully compiled from statistics in England, shows the diffusion of increased purchasing power and consumption of products among the working classes.

Articles.	1840.	1881.
Bacon and hams .....	lbs.. 0.01	13.93
Butter .....	" .. 1.05	6.36
Cheese .....	" .. 0.92	5.77
Currants and raisins.....	" .. 1.45	4.34
Eggs .....	No.. 3.63	21.65
Potatoes .....	lbs.. 0.01	12.85
Rice .....	" .. 0.90	16.32

Cocoa .....	lbs.	0.08	0.31
Coffee .....	" ..	1.08	0.89
Corn, wheat, and wheat flour. "	" ..	42.47	216.92
Raw Sugar .....	" ..	15.20	58.92
Refined Sugar.. .....	" ..	nil.	8.44
Tea ... ..	" ..	1.22	4.58
Tobacco .....	" ..	0.86	1.41
Wine .....	gals..	0.25	0.45
Spirits .....	" ..	0.97	1.89
Malt.....	" ..	1.59	1.91

Mr. Seymour Dexter shows in his treatise on "Co-operative Savings and Loan Associations," that hundreds of thousands of men are obtaining homes under that system of co-operation. Dr. Richard T. Ely states in his "Labor Movement in America," that up to 1880, 60,000 comfortable homes had been constructed in Philadelphia alone by this system of building. These facts undoubtedly show an increase, of wealth among the poor. On January 1 1889, there were about 4,000 loan associations in the United States, scattered from ocean to ocean.

These evidences of thrift do not disprove the fact that there are many poor, unskilled laborers in England and America whose condition is pitiable. He who toils

at those handicrafts in which machinery competes must work at a continually increasing disadvantage. Professor J. L. Pickard put the case forcibly at a late meeting of the National Teachers' Educational Association. He said :—

“The citizen of to-day needs a better equipment than he of the past. In industrial life there has been a constant abandonment of old forms and a constant introduction of new agencies. The sickle has given place to the reaper; a self-binder has diminished the number of followers of the reaper; steam has supplemented or transplanted entirely the white wings of commerce; the palace car has relegated the Concord coach to the back-yard of some hostlery; the steady motion of the feminine foot produces more and better stitches than the most nimble fingers; the spinning-wheel of the grandmother stands unused in the garret, while a few steps back and forth of the grand-daughter multiply a hundred fold the threads most deftly spun. Still the old principle remains. It is the sickle, the vessel, the coach, the needle, the wheel, unchanged in name or in purpose, but greatly in-

creased in capacity and power under the new development. This increase is not an inspiration of matter but of mind, which better understands and controls matter. The demand of the age is, therefore, for a quickened mind, and the 'new education,' must supply the quickening power. To this end it must enter new fields, make broader and better cultivation of the old,—discard old and insufficient tools, introduce new and more effective agencies and methods."\*

Even when the citizen is fully equipped

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\*It is interesting in this connection to notice the following facts: Steam engines in Great Britain amount to 9,740,000,000 horse power. Steam engines in the Continent of Europe amount to 14,820,000,000 horse power. Steam engines in the United States amount to 10,540,000,000 horse power.

For further evidences that wages are increasing, see Chapter VI., where the rates of skilled labor are shown. The average rate of skilled labor in Illinois (see labor report for 1884) is given at \$2.12½ per day. 766 establishments in Illinois pay \$2.50 and over; 1,400 establishments out of a total of 1,650, pay \$2.00 and over. Teamsters make \$459.59; tailors, \$542.94; stone masons, \$467.21; printers, \$654. Contrast these figures with the 4,240 millions of dollars annual income in Russia, which gives an average of 14 cents per day to each inhabitant.

to compete with machinery, he has other and more powerful enemies to fight. There are unwholesome combinations of greed which cannot be put down by the private citizen who meets them hand to hand in the combat. It is greatly as Mr. James F. Hudson, the eminent writer on the railway problem, says:—

“Our modern feudalism is most apparent in the erection of great and irresponsible rulers of industry whose power, like that of the feudal barons, pursues the people and even overshadows the Government which gave it existence. The only important distinction is, that, in the old days of force, the power of feudalism was measured by thousands of warriors, while in the days of modern plutocracy, it is measured by millions of money.”

Let us next see how the prostitution of the iron highway to purposes of private gain affects the whole people.

## CHAPTER III.

### THE RAILWAY PROBLEM.

ONE OF THE PERSISTENT CAUSES OF INDUSTRIAL DEPRESSION IS THE ABUSE THAT INHERES IN THE PRESENT RAILWAY SYSTEM—CHARGING THE TRAFFIC ALL IT WILL BEAR IS ROBBERY OF THE PEOPLE—CORRUPTION OF LEGISLATION—LEGAL DEFINITION OF HIGHWAYS—EARNINGS OF THE ROADS—EXTENT OF STOCK WATERING—HOW AGRICULTURISTS ARE OPPRESSED, ETC., ETC.

Railroads, notwithstanding their many benefits to society, are not operated on the principle of "the greatest good to the greatest number." The leading motive of the railway companies is money-getting, irrespective of the general welfare of the people, for the principle ever kept in view by the companies is, as formulated in their maxim, "Charge the traffic all it will bear," which means "Let us grow rich and let the people look out for themselves."

The reverse of the railway motto should

be the rule. The public has a right to the lowest possible rates, for since the roads are highways their benefits should be for the many.

Steam has greatly reduced the cost of transportation and driven all other competition from the field. It has so multiplied our list of necessities, by uniting the interests of distant localities, that values are relative and all bare figures are misleading when applied to freight and passenger rates; hence it is not a fair test to compare tariffs with ante-railway rates.\* The

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\*Railroads have reduced the cost of carrying freight from  $3\frac{1}{4}$  cents per ton per mile to  $\frac{1}{2}$  cent per ton per mile, and thereby saved more than \$500,000,000 annually to the country (the actual freight charges being \$416,000,000, and the old rates would be more than \$1,000,000,000.) Mr. Atkinson shows that in 1883 Ohio alone saved \$89,000,000 over the rates of 1869. The American Economic Association's report, July, 1887, says :

The history of the railway, as perhaps that of no other economic institution of our national life, serves to illustrate the inevitable tendency of a strong government, if not to extend the actual sphere of its duties, at least to increase in importance by the growing importance of its functions.



question is not, *how much cheaper are freights to-day than at some past time, but how much higher are they to-day than they should be.*

It requires no argument to prove that when these railroad tariff-lists on the products of industry are enormously high the result is the impoverishment of those who are compelled to ship their products and pay the rates. To come directly to the question, if the farmer is deprived of an enlarged market, by a freight rate that eats up the margin of profit which the distant market would give him over a local one, he cannot prosper.

A slight study of freight rates shows that they are sufficiently high to leave very little margin to agriculturists, especially those who live in the West and South. For example, the joint rates for transportation, as reported by the Commissioner of Agriculture in 1885, were as follows, on the following articles: On corn, rye, oats and barley, per hundred pounds,, from Kansas City to Chicago, 20 cents;

hogs, single deck per car, \$42.50; unmanufactured tobacco, per hundred pounds, 35 cents; wheat, per hundred pounds, 25 cents. The rates from Chicago to New York were as follows: Grain, per one hundred pounds, 30 cents; live hogs, per hundred pounds, 30 cents; wool, per hundred pounds, compressed in small bales, 85 cents.

There have been frequent instances where railroad companies have suddenly increased their freight rates on farm products when the markets were for any reason stimulated, until the freightage thus extorted absorbed the difference in prices between the local and the distant market. In effect this is equivalent to a failure of crops, since, if the farmer's crop nets him no gain, he might as well not have planted it. The reduction of the farmer's receipts results, so far as he is concerned, in enforced economy, which is an exact definition of hard times. He is cut short, until he becomes not only economical, but parsimonious, from necessity. The crip-

pling of the consumptive power of so large a percentage of the population as the agriculturists also involves the industries of the entire country. The warehouses of manufacturers become overstocked, there is a cessation of production, and there are lockouts and "shut-downs," or a general lowering of wages. Thus, a large crop that cannot be sold for good prices reduces the consumptive power of the entire population, part of whom are forced to be idle. When one reflects that out of a total business population of 17,000,000 nearly 8,000,000 (7,670,493), with the families dependent on them for support, were in 1880, engaged in agricultural pursuits, \*an idea may be gained of the disaster which must overtake the industries of the country when the railroad companies inflict these abuses upon them.

The actual cost of carrying freight and passengers is so low, compared with the rates charged by the companies, that the

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\*See table showing persons engaged in various pursuits in the United States. Turn to "Appendix."

average man will hardly believe the figures when he sees them. Suppose that we turn our attention to the reports of the companies and others who are supposed to know most about these things. On the 25th day of June, 1885, two eminent construction engineers, Mr. E. Sweet and Mr. E. L. Corthel, read addresses before the American Society of Civil Engineers on the subject of the cost of carrying freight. These two papers throw great light on the subject, and aid the commonest layman in reasoning out this problem. Here is what they say:—

“The reasons for the reduced cost in railway transportation of late years are improvements in the condition of railroads by better construction, better maintenance of the track, and in more economical administration; also in the increased amount of the freight hauled on one train, which is made possible by the increase in locomotive power, and in the capacity of the cars. The train-load has increased about 75 per cent. The capacity of cars in-

creased from 20,000 pounds in 1855, to 40,000 pounds in 1876. The carrying capacity in 1885 was 50,000 pounds, and the master car-builders have recently decided upon a standard car which will carry 60,000 pounds. The weight of cars on the Pennsylvania Railroad increased from 20,500 to 22,000 only, from 1870 to 1881, but in the same period the load capacity increased from 20,000 to 40,000 pounds. Cost of hauling on American railways has been about 6-100 of a cent per ton per mile. All expenses included, on the best American railways, the cost of both handling and hauling has been about three mills per ton per mile. All expenses, including receiving, loading, hauling, handling, discharging, and every other expense, has been about four mills per ton per mile, average, on American railways."

Are these figures not enough to reveal, even to the simplest mind, the fact that there must be vast abuses in the department which fixes tariff rates on our pro-

ducts? How else can you account for the enormous difference between cost of transportation and charges to patrons.\* Let us

\*NOTE.—Charles Francis Adams has drawn a striking picture of these evils. He says:—

“Everywhere, and at all times, these corporations illustrate the truth of the old maxim of the common law, that corporations have no souls. . . . The system of corporate life and corporate power, as applied to industrial development, is yet in its infancy. It tends always to development,—always to consolidation;—it is ever grasping new powers or insidiously exercising covert influence. Even now the system threatens the central Government. . . . The belief is common in America that the day is at hand when corporations far greater than Erie—swaying power such as has never in the world’s history been trusted in the hands of mere private citizens, controlled by single men like Vanderbilt, or by combinations of men like Fisk, Gould, and Lane, after having created a system of quiet but irrepressible corruption, will ultimately succeed in directing Government itself. . . . We know what aristocracy, autocracy, democracy are, but we have no word to express *government by moneyed corporations*; yet the people already instinctively seek protection against it, and look for such protection, and significantly enough, not to their own Legislatures, but to the single autocratic feature retained in our system of government—a veto by the Executive. Vanderbilt embodies the autocratic power of Cæsarism introduced into corporate life; and as he alone cannot

analyze some of these abuses, but first let us view a few general principles.

Whoever or whatever imposes unnecessary restraints upon the power and right of free locomotion, and whoever and whatever unnecessarily removes from men the power to freely exchange commodities, wields a tyrannical influence over the people.

The unhampered exchange of services is the foundation of prosperity. The power to change our habitations cheaply, as pleasure, convenience, or business demands, is a blessing. No Government has the right to rob the people of this power.

High freight and high passenger rates make men dependent. Dependency is slavery in part. The barnacle, the oyster, cannot move. No muscular power can compete with steam. The uncivilized

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obtain complete government of the State, it perhaps only remains for the coming man to carry the combination of elements one step in advance and put Cæsarism at once in control of the corporations, and of the proletariat, to bring our vaunted institutions within the dreadful rule of all historic precedent."

man is tyrannized over by gravitation, which his forces cannot conquer; but the civilized man invented the steam engine, "hitched his wagon to a star." It kills time and space, throwing weary miles over its Atlantan shoulders untiringly, carrying godlike burdens, and yet the people have not been given the highest services which steam offers to the race. The tyrants of modern industry, the barons of the feudalism of money stand between the citizen and the enjoyment of these high privileges. They impose useless burdens upon the power to exchange our services, the products of workshop and field.

Then what is this railway question, of which we hear so much? Are there not some general principles underlying the system itself, the violation of which is followed by the evils of which we complain?

The railway problem proper, in the highest and most accurate meaning of the terms, is nothing more nor less than the problem of so utilizing steam methods of land locomotion as to give to every citizen



the highest liberty of transporation consistent with the like liberty of every other citizen. In other words, how to use this new giant, which carries tons faster than the wind blows a feather, to the best advantage of all men; and to do this without violating the principles of American liberty, and without doing violence to property in vested rights.

The legal authorities are almost unanimous in the conclusion that railways are highways. Whether we read the opinion of Chief Justice Waite in the case of the Pensacola Telegraph Company (96 U. S. page 1), in which he says that railways are highways, or the many legal text-books on the subject, the conclusions are the same. The principle has been clearly enunciated in many cases by the Supreme Courts of nearly all the older States, especially by the courts of New York, Massachusetts, Connecticut, Maryland, the Carolinas, Vermont, Iowa, and Pennsylvania. In a large number of States, among which are Missouri, Nebraska, Colorado, Illinois,

Pennsylvania, and Texas, the State Constitutions declare that railways are public highways. This eminently just principle and sound conclusion of law was declared more forcibly than for many years by the Supreme Court of the United States in *Olcott vs. The Supervisors*, 16 Wall. 678. The public character and public obligations of the roads have long ago passed, beyond question, into the common law of America. While this is true in theory, the fact stares us in the face that *a monopoly of the highway, the exclusive right to move trains over the road*, destroys competition and robs the road of the essential advantages of a highway to the people at large.\*

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\*NOTE.—A study of the history of highways will show that a comprehensive definition, embracing every phase of land-ways, characterizes them as such modifications of the surface of the earth as will enable it fitly to receive the vehicle furnished by the civilization of the era. Thus a road is primarily the essential outlet or sole pathway for locomotion on the land.

Highways are of great antiquity. They must have existed in ancient Egypt in great perfection, for the Egyptians had hard, smooth roads, over which they

It is strange that railways ever degenerated into such an abuse, in view of the fact

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carried immense blocks of stone for the Pyramids. Highways also existed among the Hebrews, for in Judges, chapter v, verse 6, Deborah sings of abandoned highways: "In the days of Shamgar, the son of Anath, in the days of Jael, the high ways were unoccupied, and the travelers walked through byways." In ancient Greece and Rome road-building was a great science, but the Carthaginians seem to have excelled all others as builders of great roads. The student of history will recall the Roman roads, Via Appia, Via Aurelia, the Tyrrhean coast roads, and the famous Flamminian way. Roman military roads were also very numerous. Going into another country we find that Alexander Humboldt, philosopher and student, says that the ancient Incas built wonderful roads, and he refers to their mountain highways over the Andes.

The evolution of the road and the evolution of road vehicles have necessarily been almost simultaneous, the improvement of the vehicle demanding such a modification of the road as to render it useful and safe. Chariots are the most ancient road vehicles of which history speaks. The first chariot was made by Erichthonius, at Athens, 1486 B. C., and the earliest purposes for which transportation was applied were war and agriculture—war first and most universally. [See Exodus 14:7.] In England, the earliest vehicle was the "caretta" of the thirteenth century, and it was used chiefly for women. Next came the two-horse litter of the fourteenth century. Highways them-

that their character as highways is the sole license by which the companies were

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selves are, in England, said to be "of immemorial antiquity, or else created by act of Parliament." Horses and camels are found in abundance in regions first peopled by man, and riding on the backs of camels doubtless preceded the custom of driving domestic animals harnessed to vehicles. As a further historical study it may be interesting to know that the various methods of transportation used in ages past have necessarily been determined by the climatic conditions of the countries where travelers have journeyed. The known methods of transportation may be briefly summarized as follows: Riding or driving horses, mules, asses, oxen, camels, elephants, dromedaries, reindeer, dogs, sometimes ostrich riding among Africans of the interior; snow skating in Lapland; skating on frozen canals in Holland, with bundles on the head; and lastly, oriental palanquins. These methods have often involved the use of peculiar vehicles, such as the Syrian ox-cart, the two-wheeled French brounette, the Russian telega, which is a rapid cart,—or the many modifications of vehicles seen in all ages.

I take occasion here to say that under the principle of eminent domain the State can condemn a railway's franchise or any of its vested rights as well as any other property. All classes of property are subject to the law of eminent domain. The railway franchises are not more sacred, nor are they held by rights more inviolable, than any other property. I deem it unnecessary to give any citations to legal authorities on so

authorized to build at the outset, and in the original charters it was plainly intended that the railway companies should not have a monopoly of the track. In the older grants there was a plain declaration that the only monopoly given to the companies was the right to charge the public reasonable tolls for operating their trains over the roads. However, no matter how plain this intention may have been, the wealthy men who owned the roads soon smothered out every possibility of putting the theory into actual practice, and in truth the companies at once assumed absolute control of the roads, rolling stock, and all appurtenances. Not only so, but the legislation of the country is at their pleasure.

You have heard the standing joke,

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plain a proposition; but no sound lawyer will deny it. Whosoever desires to study the origin of railways will do well to get the early charters, in which the intent was plain that the exclusive right to own and operate trains on the highway was not recognized, [See law of eminent domain.]

which has been repeated for many years in the Pennsylvania Legislature, when a member should see fit to move an adjournment of the House. Uniformly he would say, "Mr. Speaker: Since the Pennsylvania Railway Company has no more business for this body to transact, I now move we adjourn." No wonder that a prominent railway manager once said, that if the people knew the "ins" and "outs" of this despicable system of robbery in the name of vested rights, "The bare-footed militia would charge down from the hills and tear up the tracks."

Who shall say that heartless discriminations, selfish freight rates, pooling, stock-gambling, bulling and bearing the market, charging the traffic all it will bear, which means to draw the last drop of blood from the people, who shall say that these and like false conditions, have not had much to do with the unequal and cruel distribution of wealth in this country, especially with the depression of the

farming classes who, according to statistics, get less than their share of the country's production?\*

It cannot be disputed or gainsaid in any way, *that there can be no thorough competition between independent railroad companies operating trains on different highways, each company owning the powerful monopoly of its own line.* If there is ever to be thorough and honest competition, such as will bring down the cost of transportation, it must be, *not between railway companies, each of which has its own special chain of stations, with but one competing point to every nine stations,* averaged on the best roads, but between trains operated by separate companies *on a common public highway* where rates have, by opposition, been re-

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\* The average per capita earnings of the business population is \$34.80 each per month. The farm laborer gets but \$22.29 without board, and the farmer himself but little more for his time, when interest on his investments is deducted. These estimates are furnished by Mr. J. R. Dodge, of the National Agricultural Bureau. The average is of wages paid in various States.

duced as near as possible to first cost or a fair minimum.\* However, the chief benefit to be reaped from competition, after the highway shall be in fact emancipated, is in the increase of the number of trains that will use the road, thereby dividing the expense of maintaining the track between the largest possible number of trains, and, therefore, between the largest possible number of travelers or tons of freight. In other words, *the people*, who must, under the present system, always pay interest on the inflated sum total of railway investments, will be given, under the system of *sovereign ownership of the highway itself*, numerous trains at rates which, compared

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\* "On the first day of January, 1887, there were, according to the Chief of the Bureau of Statistics, 33,694 railroad stations in the United States, of which 2,778 were junction points, *i. e.*, are points where there are more than one railroad, leaving 30,916 stations where there is but one railroad."—*Speech of Senator Cullom, Jan. 17, 1887.*

When we consider that many of these junction points were on roads not having even a terminus in common, it is evident that the field of competition is relatively small.



with the present tariff lists, seem ridiculously low. The distinction between Government ownership of the tracks and rolling-stock, coupled with Government management of the entire railway system, and the *sovereign control of the track* only, must never be lost sight of. This distinction is essentially fundamental, and lies at the basis of a thorough conception of the philosophy of the highway.\*

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\*The business of owning and operating trains, disciplining men and carrying on the many details of passenger and freight transportation is *one thing*, a pursuit separate and distinct from any other, and characterized by peculiar skill and requirements; the pursuit of *owning the railway track* (if that conveys to the mind any idea of complex activity) is *another and wholly different affair*. It is this latter passive and equitable ownership, which is the province of the State. The railway business, operation of trains, ownership of rolling stock, etc., etc., belongs to private companies. The State should not meddle with that at all. Sovereignty should own the highway and throw it open to citizen companies. It would not follow that all men would be fit to own and operate trains any more than that all men are fit to print the reports of the Supreme Court of the State or to repair broken watches. Practicability would limit the business to safe men,

Two of the most famous railway kings of the century, one of whom was Gould, in

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while demand and supply would regulate numbers, and weed out a superfluity. As heretofore said, the idea expressly embraced in all the early charters of railroad companies was that one company should own the highway, and allow the public its use. The right to take tolls was granted, but not the right to exclude other companies or carriers. Any student can look this matter up. See Redfield on Railways, and see decisions of Atlantic States. This statement is a matter of history that may be readily verified and it may be found in many decisions. To dwell too much upon weary and useless references is not my purpose.

According to the most reliable railway authority in the United States—"Poor's Manual"—there is an over-capitalization of more than *four billion* dollars in American railway investments. By a fictitious system called "stock watering," these giants of American commerce have inflated the values of their roads, equipments, and total outlay to such an enormous extent that the per cent. which they make does seem rather small. However, when they tell us that they have made  $3\frac{1}{2}$  per cent. on the investment of a given year, that per cent. must be multiplied by two or three to get at the truth. According to Poor, the net earnings of the roads for 1883 was nine per cent. of their cost. By the report of a New York Legislative Investigating Committee, it seems that the New York Central and Hudson River Railway Company had in-

addressing the New York Legislature relative to franchises, spoke of the subject in this light and said: "It is the primary duty of the State to furnish highways,

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creased its capital one hundred and forty-six per cent. by this infamous and fictitious policy. The Erie Railway Company had watered its stock over seventy per cent. The Pennsylvania Railway Company had, by the infamous process of increasing its investments, by pretended outside interests in other companies, swelled its wealth until its excess of stock was enormous; and when it said it had cleared 8 per cent. in the year 1884, the truth is it had cleared 17 per cent. The great Western roads, called Granger Lines, have committed equally gross frauds. The Union Pacific road, according to the testimony of Mr. Charles Francis Adams, has been guilty of enormous inflation to deceive the people; and this road owes the people sixty million dollars, on which it has not paid one-third of the low interest due by its obligations.

According to Mr. John Swan, who has written a book that attracted some attention, entitled, "An Investor's Notes on American Railroads," (and at one time general manager of the Alabama and Great Southern Railroad, and a friend of the present system,) by far the larger per cent. of the capital invested in our railroads is owned by foreigners, who are ignorant of our affairs, and careless of our rights; they do not belong to this soil, nor sympathize with the people of this country.

whether roads, turnpikes, canals, or railroads." Singularly they added, "The State alone having the right of eminent domain."

The best train dispatchers with whom I have conversed tell me that sovereign ownership of the road-bed, is eminently practicable, and that any good railway man could readily arrange the details of management. In fact, the same thing is practiced every day. Have you never known two or three companies to jointly own one track of ten, twenty, thirty, or one hundred miles? Such ownership is common, and on these roads the companies run independent locomotives, with their own engineers and rolling stock. Two great roads use the track between Newark and Columbus, Ohio. The Pittsburg, Ft. Wayne and Chicago has also used tracks jointly with other companies. On the Pennsylvania Railroad I once counted cars of more than a dozen independent companies, but all were operated by a common train dispatcher. The pre-

tense that the rolling stock and the highway must be owned by one company to insure safety is the ultimatum of nonsense. Can a solitary reason be given for the necessity of such dual ownership? Of course, many roads which now possess niggardly-maintained single tracks would need to be extended by the addition of two or three parallel tracks. Other details which readily occur to any sensible man would need to be skillfully arranged; but to say that the plan is impossible, contradicts the opinion of many eminent and practical railway men, as well as the practices which may be seen on scores of roads throughout the United States.

But even under the present system, a reduction of rates would be followed by increased receipts and profits to the company. The lesson of the Post-office Department, which diminished postage to increase receipts, has not been followed largely enough by the railroads. "Poor's Manual," the standard compendium of railway figures, shows that freight rates

have decreased 68 per cent. in the past 25 years, but the earnings of the companies have increased 72 per cent. On the western roads a reduction of 40 per cent. within a few years increased the earnings nearly one hundred per cent. As a general rule, a decrease in the price of such commodities as postage and fares multiplies receipts in an inverse ratio.

The railroad laws of nearly every State are carelessly drawn, and even where legislation has been wisely pursued it is exceedingly difficult of enforcement, owing to the power which railway companies wield in high places.

Railway corporations are creatures of the State, and the question has of late years assumed this form: Either the State must control the railroads, or the railroads will control the State. Frequent attempts to control the roads in the general interest, both in Europe and America, show that it requires many statutes and officers, much interference, and the exercise of many objectionable powers of Govern-

ment, even to modify the abuses of monopoly. In view of the enlarged demands of the times, even with the maxim that the Government should not interfere where individuals can do as well, the exigency for more specific limitations and more direct control has already arisen.\*

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\*NOTE.—The word *robbery* used in relation to railway charges has been applied by such eminent writers as the author of "Wayland's Political Economy." Some thinkers suggest that the present tariffs on freight and passenger traffic are the natural outgrowth of the monopoly system, and that they have already reacted disastrously upon the system and limited it to very narrow dimensions compared to what it would be had it been differently administered. The present methods are essentially restrictive. The masses travel but little, and millions of tons of freight that should be in motion are at rest, although the roads are often working to their full capacity. Were the lines and facilities quadrupled and rates reduced so that at a minimum profit no stock should remain idle, the lines, even under the present system, might earn more than now. This tended to illustration during the late rate-war from Missouri River points to the Pacific, although the roads could not accommodate the demands; and to deprive way or local travel of low rates, they absolutely exacted an overcharge to be returned as rebate. Suspecting the companies' mo-

The folly of the argument that our prosperity is due to the railway management

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tives, the rural population refused the tickets at five dollars each. Even then the roads that had been doing almost nothing had to curtail the ticket sales because overcrowded, and the receipts from this crippled business, managed on a narrow basis, averaged from twenty to forty thousand dollars daily. Yet so ignorant are the masses as to the cost of railway transportation that it is often supposed that the roads lost money, whereas, on the contrary, those cut-rates stimulated a traffic which replenished their funds.

Speaking of the first railway in England, "Chambers' Encyclopedia" says: "Now began that course of commercial enterprise, unregulated, and often wasteful, which has since assumed such importance. Refraining from all control over railway operations, the Government left speculators to carry lines anywhere or anyhow that Parliament could be persuaded to sanction. The result has been in many places a complication of competing lines on no principle of economy or enlightened foresight. Abandoned, as it were, to the audacity of promoters, AND THE MERE BRUTE FORCE OF CAPITAL, schemes, good, bad, and indifferent, had to fight their way at cost almost exceeding belief. . . . Making every allowance, therefore, for the high social value of the railway system, it has certainly reached a point of despotic overbearance that requires some species of control more effectual than the present system," In 1874 a Parliament committee reported that



is only surpassed by the superstition of those old witches who, each time they glanced out of their windows, saw a funeral procession, and believed it was the act of looking out of the window which called forth the procession. It tests and proves the greatness of this country, that prosperity has come like the sunshine and the rain in spite of the present inequalities of the railway system, which has threatened our welfare in a thousand directions at every step. True enough, the roads have opened to the markets millions of acres of rich lands, and made possible the growth of cities where were solitudes, yet there is in the entire list of railway achievements no excuse to warrant the gift of these iron highways to corporations that rob the people of benefits which the inventor of the steam engine meant to be a gift to the human race.

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“no means have yet been devised by which competition can be maintained.”

## CHAPTER IV.

### PRIVATE OWNERSHIP OF LAND.

FALLACIES OF HENRY GEORGE'S THEORY THAT ONE OF THE CAUSES OF POVERTY IS THE PRIVATE OWNERSHIP OF LAND—HOW CIVILIZATION AND THE INCREASE OF PROSPERITY HAVE BEEN AIDED BY OWNERSHIP OF LAND—SOME IDEAS ON LAND AND THE RIGHTS OF PROPERTY.

Henry George, a florid writer, has of late years created considerable interest in the land question by his "Progress and Poverty," a book full of good intentions, but singularly free from any references to facts of history or statistics to uphold its radical conclusions. At the outset Mr. George repeats the old statement of Karl Marx that the poor are growing poorer and more numerous and the rich richer and fewer. He nowhere cites income tables, nor is there throughout his argument a single comparison of price-levels of food products with previous years. He nowhere

shows what rental incomes amount to, nor does he give an idea of the ratio of rents to incomes.

The proposition that there can be no private ownership of land without injustice to the masses, was formulated by French economists and by Herbert Spencer long before Henry George's appearance.\*

The fallacies of the theory propounded by Henry George are so numerous that a cool perusal of his book is sufficient to condemn its argument and conclusions as vicious and misleading; and yet his style is so catchy, his good wishes for mankind are so heart-felt, and his pictures of poverty

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\*NOTE.—Mr. George told me in 1887 that at a banquet in London, at which both Herbert Spencer and Mr. George were guests, Mr. Spencer repudiated his early position on the land problem, as announced in "Social Statics." It seems that the English philosopher also went to the trouble to write an article for a London periodical setting forth that his early position was all wrong. In "Social Statics," the reader will remember that Spencer's position was that private ownership is inequitable. Mr. George was so vexed that he kept away from the philosopher, and left the banquet early in the evening.

so pathetic, that thousands of misguided workingmen have hailed him as the Moses whose footsteps were turned toward the land of sunshine and gold. Not only so, but a surprisingly great number of lawyers and well-informed men and women in the higher walks of life have grown garrulous and vehement in trying to accomplish the reformation of the world according to the Henry George method.

I once knew a young college professor who became interested in "Progress and Poverty," but he ran upon some snags that puzzled him. He wrote to the author of the book, and Mr. George promptly answered him, simply assuring him that having read the book, his mind would soon be filled with the truths of the new gospel, so that he could accomplish great good among his fellow-men. In conclusion, he begged the young man to read "Progress and Poverty" again, and assured him that his mind would then be at ease. After the third reading the disciple told me that he wondered what there

was in the book to attract so much attention, for he found that it ignored data that were essential, and jumped at conclusions without evidence.

The example is but one in thousands where men were fascinated by the first reading of the book and afterwards repudiated its teachings. Much less is heard of the author and of the book than formerly, and both will doubtless pass into obscurity with the thousand other fallacies that belong to the age of sensationalism.

Mr. George's foundation stone is rent. He holds that all the advances made by capital and labor are swallowed up by rent, which is levied by the land barons, and yet he gives no statistics or ratios of land values or rents. He believes that the increase in the value of land is taken from the hard earnings of toil, and that the tendency of rent is to leave labor a bare living margin, and to allow to capital only that interest which will induce it to seek investment.

"The persistence of poverty amid advancing wealth," to use his words, or the increase of progress and poverty in an age of civilization, Mr. George would prevent by prohibiting private property in land, either by taxing land until nobody would want to own it, except for active use, or by some direct proceeding to vest its ownership in the whole people—in *sovereignty*.

Mr. George then draws pictures of the millennium. "The whole enormous weight of taxation in the form of rent would be lifted from productive industry." He beholds the "rise of wages;" he sees parks for the poor, while "heat, light, and motive power, as well as water, might be conducted through the streets at public expense." He also sees free museums and vast libraries, and beholds flowers in the wilderness, while the air of his ideal world is filled with music.

The universal panacea for all industrial ills thus prescribed by the apostle of the "no land theory," has been used indiscriminately for all the sprains and aches

to which the flesh of labor is heir. More penetrating than "Mustang Liniment" or "Wizard Oil," it has been more believed in than Col. Mulberry Sellers' mysterious "eye-water."

Mr. George would impose heavy burdens on the ownership of the soil. Suppose that under his theory a farmer, desiring to raise corn and hogs, should buy one hundred and sixty acres of land. That land would be subjected to taxation sufficient to meet all purposes of public revenue, and to a further taxation sufficient to give the people the wonderful things of which he speaks—fire, light, music, libraries, etc., etc., etc. But would the farmer, thus burdened by rent, be able to sell his hogs and corn at prices now current? Would he not necessarily have to add the rent or taxes to the selling price of his products, and thus shift the burden upon the buyer? Would a plan that excuses the owners of government bonds, and diamonds, and luxurious paraphernalia from all taxation better the condition of the

poor? Here is the chasm into which Mr. George's logic carries him, and from which no life-saving service of theory can rescue him!

That there have been special instances of grave wrongs in the speculative "cornering" of the land, everybody admits, and no one would object to a law prohibiting combinations among land owners to keep up prices. The theory of Mr. Homer Reed, a student of the land question, is much wiser than that of Henry George. Mr. Reed holds that there should be a "homestead unit" of 160 or 200 acres, and that this amount of land, if used for farming purposes, should be taxed so lightly as to be almost exempt from burdens. Then he would levy ten times as high a tax on lands held for speculation. In this way he would encourage agricultural pursuits and discourage the speculative ownership of real estate. But Mr. Reed and Henry George labor under the mistake that there is a great scarcity of land in the United



States, whereas, relatively, there is more accessible land here now than in 1850. Prior to the completion of transcontinental railways, the land opened to white labor for agricultural purposes lay east of the Missouri River and north of Mason and Dixon's line. The West was the home of the buffalo and Indian, while the South was overcrowded with slave labor and not available for white workingmen. The completion of the Union Pacific Railroad brought millions of acres of rich land within a few days of New York harbor, and at prices that were a shock to the real estate markets of the world.

Mr. George's theory falls little short of socialism, and as the Nun of Kenmare (Sister Frances M. Clare) has said, "The grand mistake lies in supposing that the equalization of land property will prove an equivalent to, or a substitution for, the equalization of capital. If all the capital in the world were equally divided to-morrow morning there would be inequality in twenty-four hours," and she not

inaptly adds, "The communist who says that *all* property is theft is more practical."

Dr. W. T. Harris, who is probably the foremost thinker to-day living, and whose opinions on questions of social science are authority, holds that the abolition of private property in land will "lead towards the degeneration of all higher spiritual interests and to the utter ruin of all that has been achieved, even in the realm of productive industry." His "Right of Property and The Ownership of Land" is a complete demonstration of the utter worthlessness of Mr. George's deductions.

Let us take into consideration some facts and figures that lie at the foundation of the question, so that it may be determined how great are the burdens imposed upon the masses—especially upon capital and labor—by land, or, as the new disciple puts it, by rent.

By the census of 1880 the amount of all property in the United States was more than 43,000,000,000 of dollars, as shown

by the following carefully prepared table of items:—

	Billions of Dollars.
Farms.....	10,197
Residence and business property.....	9,881
Railroads (over-capitalized estimate).....	5,536
Live Stock and farming implements.....	2,406
Stock of production on hand, agricultural and manufacturing.....	6,160
Churches, Schools, Asylums and public buildings... ..	2,000
Household furniture.....	5,000
Telegraphs, shipping and canals.....	419
Mines, quarries, oil wells and $\frac{1}{2}$ average product.....	781
Bullion.....	612
Miscellaneous.....	650
Total.....	43,642,000,000

Residence and business property are put at little less value than farms. "The census gives no clue," says Dr. Harris, "as to the relative value of land and buildings. It would be certain, however, that the land could not exceed in value 20,000,000,000, as that is the total value of all real estate."

In Massachusetts complete assessment rolls, making allowances for the differences between true and assessed valua-

tions, show that land is 44 per cent. and buildings 56 per cent. of the assessed value of real estate.

It is estimated from the census returns and other data, that the land values of the Eastern and Middle States are 2,948,000,000, and the value of buildings is 3,766,000,000.

The following carefully prepared table shows the values for the entire country:—

	Ratio of Build- ings to Land.	Buildin's Millions.	Land. Millions.
Eastern and Middle.....	56-44	\$3 766	\$3 766
Southern Section.....	40-60	671	671
Western States and Territories..	40-60	1 857	1 857
Total .....		\$6 294	\$6 294

Mulhall, in his invaluable "Dictionary of Statistics," estimates land and forest of the United States at \$10,750,000,000, while Dr. Harris puts the true valuation of buildings, lots, and farms at \$10,000,000,000, calling the true value 65 per cent. of the assessed value. He says: "Counting rent at 4 per cent on the actual val-

uation (which would be 6.1 per cent. on assessed value), we have the sum of \$400,000,000 as the total rental of land in the United States. Four per cent. is a larger average rent than land brings in, because land owners raise prices on land when it produces more than 3 per cent. after paying taxes."

He then shows that for a population of 50,000,000 (census 1880) the ground rent is \$8 apiece per year, or two and one-fifth cents per day, not a distressingly large part of the forty cents per day, which is the average earnings per capita of the population. According to Mr. Atkinson, the statistician, the average income per capita, is fifty-five cents.\* This gives the ground rent of each person as amounting to one twenty-fifth of his average earnings. By Dr. Harris' estimate it is one-eighteenth. Even in Great Britain and Ireland, ruled by landlords, the aver-

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\*NOTE.—Dr. Harris estimates our annual production at \$7,300,000,000, but Mulhall's estimate is \$7,100,000,000.

age rent per inhabitant is shown to be two and one-half cents per day.

As completely and clearly dissipating Henry George's statement that land becomes so valuable that the masses must ever be oppressed, it is demonstrated that the relative increase of land in the United Kingdom in the thirty years from 1850 to 1880 was 23 per cent. During the same period houses gained 138 per cent. in aggregate value.\* In the United States, as heretofore shown, the prices of Eastern farm lands have been kept down by competition with the vast acres in the far West, which railroads have made available for use. In this connection the evils of the railway system, as pointed out in

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\*Land in 1801 was 990 millions sterling and in 1882 1880 millions sterling, hardly doubling in 80 years; but the value of houses increased from 306 millions to 2280 millions, more than seven times the amount, The relative increase in incomes, from manufactures, mercantile employments, and professions (in which the incomes have more than doubled) is thus shown :

1850	1860	1870	1880
100	125	174	228

the chapter on railroads, are seen to be a menace to the welfare of the farmer, and to partly prevent the West and South from competing with the East. The farmers of distant regions are charged such extortionate freight rates that their products are sometimes hardly worth shipping.\*

Recurring to the ground rent, seen to be two and one-fifth cents per day, let me ask whether this sum is so great as to be a burden to the masses? The net earnings of the country's railroads for 1884 were \$336,911,884, a sum equal to about nine per cent. of their cost, and while the true value of the roads is but half as great a sum as the true value of the land of the United States, their earnings amounted to nearly as much. Let any fair minded

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\*NOTE.—Capital has its hand on the throat of land property, contrary to the theory of Mr. George, who supposes that land has the advantage over capital and labor. Capital frees labor from tyranny of land and the present ratio of land to the total wealth of the United States is about 1 to  $4\frac{1}{2}$ .—*Harris*.

person here behold that the wastes and burdens represented in the railway earnings do not fall directly on the entire population, but chiefly on the producers of agricultural and manufacturing products.

Great as are the abuses of our railway system, the railroads have prevented building sites from running to ruinous figures, for they have brought the central lot into competition with suburban lands. The cable car, the elevated railway, the local trains, in all the great suburbs unite the crowded mart and the quiet country home. "This very god Steam," as Emerson calls it, though in bad company with greedy barons and tormented by infinite abuses, stands as a safeguard between the people and Mr. George's imaginary Gorgon. Mr. George's intentions are good enough. He would induce the poor to go on farms, but he forgets that there are too many farmers now, for with our restricted home markets prices are low, and the average earnings of farmers is but \$22.29 per month, when the average of all is \$34.80.



Mr. Mallock has made a strong point against the single tax theory. He says, in his "Property and Progress," that rents would not become less under the State landlord plan. He then asks how Mr. George's plan can help the poor. How would the State as a landlord benefit men who wished for land in a district already occupied, or men too poor to pay any rent at all. If all the land on a given street were occupied, the street would be barred to any new tradesman; nor would the fact of the street being really national property give him any more right to the use of it than if it were wholly another citizen's land under the present system. And how would the poor be benefited? If a man cannot pay his heavy ground rent to the State in the form of an enormous tax, then the State will evict him as quickly as would a private landlord.

Suppose that a man rents a tract of land from the State and when a city grows up it raises in value. How will the State's tenant be situated now? He cannot be

evicted by the State, and he cannot have his rent raised on what are his own improvements. Though he pays the State no more for his land than before he induced people to build a town on it, he knows that others would pay him more, and there is nothing to prevent him from holding the land on speculation. He might sub-let it. But Mr. George answers that the highest bidder gets the land. But a piece of land is not in the market at any given moment. When it is knocked down to a buyer he cannot be ousted at the pleasure of the State. Otherwise, if any Naboth at any moment might have his vineyard bought over his head by any speculating Ahab, the system would destroy all improvements and result in the triumph of the money power in the end.\*

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\* Land investments are not so profitable as investments in trade with equal business sagacity. By the year 1912 the \$24 paid for Manhattan Island in 1612, at 6 per cent. compound interest for the 300 years intervening, would come to over \$800,000,000, a sum quite equal to the value of all the land in New York City in 1912, judging from its present price and rate of increase.—*Harris*.

In 1850, Great Britain and Ireland supported in whole or part 1,308,000 paupers (one in twenty-one of the population); in 1860, only 973,000. In 1880, the total number of paupers had fallen to 1,016,000. The poor rates amounted to nearly one per cent. in 1870, but only to .84 in 1880.

Population has increased unprecedentedly since the epoch of labor-saving machines; but means of subsistence have increased in a far greater ratio than population.—*Harris*.

The most fertile lands are the last to be occupied, nay, are not occupied yet because human combination and the application of machinery is not able to cope with them. Witness the entire Amazon River basin, two-thirds as large as all Europe, and as yet scarcely any of it subdued for agricultural uses. Its vegetable growth is so luxuriant that all higher animal life is utterly dwarfed by its over-powering presence. Only reptiles, etc., . . . can hold their own against such vegetable life. Mechanical invention will some day tame the Amazon Valley and produce from it ten times as much food as is to-day produced on the entire earth.—*Harris*.

Thorold Rogers shows us that in England the soil has increased in fertility, so that four bushels of wheat are now produced where only one was raised two hundred years ago. Beef cattle now weigh 1,200 pounds, instead of 400 pounds as then. A sheep yields seven to nine pounds of wool where it yielded only one pound of very inferior quality, half hair, half wool.—*Harris*.

While statistics prove that the wealth of the country is increasing much faster than the population, it is a favorite argument of certain representatives of capital that the laborer is getting all he can expect under the natural order of things. This statement is justified by the argument of Malthus, long since called the Malthusian theory, namely, that population increases faster than wealth; that the earth does not produce enough to allow an increase of wages. The theory is neither proved by experience, accepted by representative economists, nor confirmed by the better reasoning; because everything that furnishes man food and raiment has the power to increase many fold, while population doubles on the average but once in every twenty-five years, and by some authorities once in twenty-nine years. Aside from this, there are other forms of wealth that increase at a high rate, especially since the introduction of labor-saving machinery, by which in many instances, one man does the work formerly accomplished by a hundred. Machinery annually adds millions to the wealth of the United States.

It is sometimes said that famines in Ireland and India were caused "by the pressure of population on subsistence," and that these instances confirm the Malthusian theory. It is strange that such citations should ever be made in view of the fact that in every great famine in these countries, the crops of the season were sufficient to more than have supported the millions who starved. The very roads of Ireland, over which loads of food guarded by soldiers were carried, to be exported to English owners, were crowded with

men, women, and children, dying from starvation, while trenches along the road-ways were filled with the dead. Extortion, misrule, criminal disregard of the suffering of others, and not the poverty of nature, caused the death of millions in those famines. Again, population is almost a fixed quantity, ebbing here and flowing there, but from the earliest ages averaging in the aggregate about the same.—*Author.*

Again I urge the importance of Dr. W. T. Harris' pamphlet, "The Right of Property and the Ownership of Land." It is published by Cupples, Hurd & Co., Boston. See the following from it:—

"The function of industry in the perfection of man becomes clear when we consider the true nature of property.

"Property is the means for transferring the products of the will of the individual to the race, and at the same time the means of his participation in the products of the race. Human labor cannot be stored up and transferred except in the form of property. A thing becomes property when (*a*) it is held in possession by one individual or a company of individuals; (*b*) and that possession is recognized, confirmed, and defended by the community.

"Take away private property and each one's individuality, as manifested in his private wants, gets in the way of the individuality of everyone else. Universal collision results in the necessity of the subjugation of all wills in the community to one will; hence arises despotic absolutism as the lowest and rudest form of rational society, the relation of master and slave.

“The possession of private property makes possible the exercise of many wills in the community, without collision with each other. It is a greater invention than the discovery of the primitive arts of fire and metallurgy. It is the discovery of the possibility of human freedom.

“With private property in land there is secured a province within which the individual becomes sovereign. Where the land is the property of the community, each one's will in some degree lacks a sphere in which it is sovereign. But when the individual obtains the perfect sovereignty over his own land, then the will of the community does not share with him nor subordinate him any longer, but re-enforces his will.

“If the present national and local taxes were all assessed on land, land could not avoid the taxes by becoming cheap. If the value of the land sank to five per cent. of its present value, the Government would simply be obliged on Mr. George's plan to raise the rate of taxation to twenty times the rate before assessed, and thus make it pay every year 150 per cent. of its total value, in order to get the requisite amount of revenue that it collects at present. There could be no question of collecting larger revenues than at present—revenues that would supply music and dancing, balls, theatres, shooting galleries, gymnasiums, and such institutions for public benefit as Mr. George proposes, in addition to those furnished now—because the taxation of land sufficient to produce the present revenue would be seven and one-half per cent.

on its present valuation, and this alone would be sufficient to crush farmers completely.

“In conclusion let us ask, in what way would the new plan of collecting taxes help the poor? At first there would be no diminution in the amount of rent paid for houses. After a little while, however, the rent of the largest and most expensive houses in the center of cities would fall somewhat, because only the land and not the building is to be taxed. But the rent of small cottages and cheap tenement houses would greatly increase as a consequence of the attempt of land-owners to recover a portion of the tax that would fall with undue weight on their property. The consequence would be that the poor would be far worse off than now as regards the rent of dwellings. They would pay relatively more than the rich.”

## CHAPTER V.

### REVOLUTIONARY THEORIES.

THE AMERICAN FORM OF GOVERNMENT UPHELD—THE PRINCIPLES OF SOCIALISM TESTED—THE RED FLAG ARMY'S ILL-CONSIDERED DEMANDS—A REASON FOR RICH AND POOR—ANARCHY AND ITS ERRORS—OTHER CONSIDERATIONS.

At the outset let me say that the enemies of social order need not expect to find comfort in these pages. I believe that any government that denies the right of its citizens to gain wealth by private industry, in proper vocations, not only retards the normal development of production by its tyranny, but also seriously dwarfs the development of strong character and strikes down one of the greatest bulwarks of education—the school of experience. Competition in trade may be so directed by wise laws as to prevent its becoming a menace to the welfare of the masses. Capital should, in all its united and indi-



vidual activities, be placed under wholesome laws, and so directed that no aggregations of wealth wield autocratic and unbridled power.

There can be no well-grounded complaint, as Lyman Abbott has so aptly illustrated, because A is worth \$100,000 while B is not worth \$100, if the inequalities of their savings are proportioned to the inequalities of the services which they rendered to society, and of their frugality, sagacity, etc., etc.\* Their respective abilities, training, and industry, might account for many of the disparities of their situations in life.

But socialism ignores all of these natural differences and proposes to overthrow the rewards of individual merit and measure all men's wealth by public schedule. Its application would wipe out all natural differences of character, annul all the livings of culture, and confine weak and strong in one sphere.

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\*NOTE.—See this more fully treated in Chapter VIII, where profit-sharing is explained.

Can there be any doubt that any scheme that gives the government entire control of industries would essentially destroy the freedom of individuals? What would become, as Theodore Woolsey asks, in his "Communism and Socialism," of the power of rising by enterprise, soundness of judgment, unbounded energy, and other qualities, which not only aid the individual in his advancement, but contribute to the improvement of general society?

Is it not true that when the individual is robbed of his earnings by the state he is retarded in his power of surpassing the achievements of the average man? If the oak takes root among the rocks and grows strong in the storm, why does not the same discipline make men strong? If the state does all the managing, is responsible for all the failures and successes, what becomes of the schooling of action as seen in the storm of deeds?

Under socialism, as defined by its leaders, society is to become a vast partnership and individual wealth is to cease.

Weitling says that there must be a "destruction of the existing state organization." Bakunin the anarchist, Lassalle, Hyndman, Herr Liebnect and others are not less radical in their demands for a reformation, and in their remedies for existing evils. Adolf Held wants socialism "to subordinate the individual will to the community." Janet says that socialism teaches that the state has the right to correct the inequality of wealth which exists among men and to legally establish a balance by taking from those who have too much in order to give to those who have not enough." In the same tone Laveleye "aims at introducing greater equality in social conditions." Karl Marx, Dr. Aveling, Fourier, and Robert Owen also ask for the destruction of competition and the substitution of co-operation under state direction, in the production of wealth, while others define all private property as *theft*.

Aside from the dismal results of socialism, it would not reach the goal pictured

by the leaders. It would level all men to an average—that of mediocrity—and destroy those stirring incentives to individual effort which have made glorious the pages of every civilized nation's history. It would also fail to give the laboring men of the United States a larger share than they now get, of the annual production.

Let us take an inventory of men's earnings and then spread the socialistic feast before the laborer. Once more to that bible of facts, the census reports!

As shown by the tables of Mr. Joseph Nimmo, chief of the Bureau of Statistics, the value of the annual products of the United States is \$7,300,000,000, or forty cents a day to each inhabitant. Mulhall, a careful compiler of statistics, who is most clear-headed in his estimates,\* puts the annual product of the United States at \$7,100,000,000, which would reduce the average income a fraction. At forty cents per day as the share of each inhabitant,

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\*NOTE.—See his "History of Prices." See also Chapter IV, of this book.

each person engaged in business\* would earn \$1.35 daily, since every employed person supports two and nine-tenths persons. This sum (which is \$34.80 per month) would be the earnings of each laborer if production were annually distributed equally, and if nothing went to capital as interest, nothing to land as rent, and nothing for supervision or superior skill. [The estimate is that of Dr. W. T. Harris, heretofore quoted]. The foregoing division is substantially the distribution demanded by socialists, and anarchists also, according to Proudhon, Janet, Aveling and others.

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\*See Appendix, and turn to table showing the business population of the United States. It is not probable that the production would be so great if men were not spurred on to activity by the stern necessities as well as the prizes of life. Under the present system every man has a hope that he may some day draw some of life's prizes. If fed by the government, as blanket Indians of the plains are cared for, many men would not work at all. The opportunities of unequal wealth are needful to encourage the strongest and stimulate the spirit of venture that makes possible new conquests.

Dr. W. T. Harris not inaptly says, in this connection : "Inasmuch as skilled labor receives as wages from \$2.00 to \$4.00 per day in most of the States, while common laborers in manufacturing establishments receive \$1.25 to \$1.50, the wages of labor in the manufacturing and mechanical industries is already above the average received by all, rich and poor, to the extent of from fifteen cents to \$2.65 per day."

The real problem is, therefore, not so broad as socialists state it, nor is it to be solved by the revolutionists. The question is how to place capital and labor, under the present system of private enterprise, on a basis that will insure to each peace and fair prosperity. All attempts to place worth and worthlessness on the level of communism will prove unpopular in this country. Industry must be left free to be fostered by private enterprise, under wise laws, and while the exigency has arisen in some cases for the sovereign to step in between rapacious capital and

hungry labor, under the broad duty implied in "the welfare of the people," the dawn of the day of socialism is not near. There are some fields in which the government might well interfere for the welfare of the people and the better development of the country, but not in most of the pursuits now conducted by individual enterprise.\* It may be admitted that there is a certain socialistic tendency in all modern governments. Whenever funds are expended for the poor, and whenever sovereignty steps in to direct vast enterprises, there is to that extent socialism. To such a degree as attempted by most governments the tendency does no harm. Our post-office system is socialistic, and so are most police regulations under the police power of the state, such as boards of health. The power of eminent domain might also be classified in the same way.

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\*NOTE.—See chapter on railways, where this idea is enlarged.

In all ages of the world of which we have any record there have been attempts to reconstruct society

on a socialistic basis. Plato advocated a mild form of socialism.

Socialists are all agreed, under whatever name they are known, that socialism alone can give all men a fair opportunity in the world, and that under the present system of individualism, or "one-sided freedom," the tendency of civilization is to oppress the poor and bring the working classes under subjection so that they will finally become precarious wage workers. There is no very close distinction between communism and socialism. Both aim to deliver the working people from what they term the subjection of capital. They want to "terminate the divorce of the workers from the natural sources of subsistence and of culture." This principle thus stated by the "Encyclopedia Britannica," seems common to all forms of socialism.

Sir Thomas More's "Utopia," in 1516, was a socialistic idea. Saint Simon, Robert Owen, and Fourier, all wrote on socialism and also tried to establish ideal colonies. Their schemes failed, the members quarreled, and the influence of their various movements was, except in a theoretical way, short lived. Robert Owen laid his scheme before the House of Commons in 1817. The speculations of Saint Simon took a definite direction the same year.

The acknowledged father of anarchism is Proudhon, but the greatest apostle of the system was Michael Bakunin, a Russian, born in 1814. The anarchists would reach equality of condition by abolishing "all legislation, all authority, all influence, privileged, patented, official and legal." They demand bread for



all, science for all, work for all. Anarchism is classed with socialism, or as a branch of it, by the best writers. See "Encyclopedia Britannica."

Herbert Spencer aptly says of the socialists:—

"Impressed with the miseries existing under our present social arrangements, and not regarding these miseries as caused by the ill-working of a human nature but partially adapted to the social state, they imagine them to be at once curable by this or that re-arrangement. Yet, even did their plans succeed, it could only be by substituting one kind of evil for another. A little deliberate thought would show that under their proposed arrangements their liberties must be surrendered in proportion as their material welfares were cared for. For no form of co-operation, small or great, can be carried on without regulation and an implied submission to the regulating agencies. Even one of their own organizations for effecting social changes yields them proof. It is compelled to have its councils, its local and general officers, its authoritative leaders, who must be obeyed under penalty of confusion and failure."

The great thinker goes on at some length to show how grumbling and restiveness would grow, and complaints of tyranny increase. One's only escape from the slavery, would be to leave the country. See his article in *Popular Science Monthly* for April, 1884. The key note is struck when Mr. Spencer says: "The welfare of a society and the justice of its arrangements are at bottom dependent on the characters of its members; and improvement in neither can take place

without that improvement in character which results from carrying on peaceful industry under the restraints imposed by an orderly social life. The belief, not only of the socialists, but also of those so-called liberals who are diligently preparing the way for them, is that by due skill an ill-working humanity may be framed into well-working institutions. It is a delusion. The defective natures of citizens will show themselves in the bad-acting of whatever social structures they are arranged into. There is no political alchemy by which you can get golden conduct out of leaden instincts."

The Russian village community, (known as the "MIR") is a practical example of socialism. It is said that so poor are the peasants that they wear a single leather suit of clothing for twelve years, day and night. They earn from four to six cents per day, and the spirit of individualism is crushed out and rendered subordinate to the will of the whole community as expressed by the *starosta* or village elder chosen by the village assemblies. The noblest and most adventurous men are banished to Siberia or sent to the army for life. It is one of the most backward countries in the world, and its socialistic civilization, as seen in village communities, is but little above the condition of those wandering nomads who burned new forests to prepare grain fields, and then abandoned the fields for another forest. In 1601 the Czar terminated the custom by fixing the peasants to the soil as serfs, and the communism of the village was substituted.

The "Encyclopedia Britannica" says: The whole of the land occupied by a Russian village,—whoever be the landlord recognized by law,—is considered as belonging to the village community as a whole, the separate members of the community having only the right of temporary possession of such part of the common property as allowed to them by the Mir, in proportion to their working power.

## CHAPTER VI.

### MODERN TRUSTS.

A FEW SIMPLE STATEMENTS AS TO WHAT THEY ARE  
AND HOW THEY EXIST—THEIR ILLEGALITY AS LONG  
AGO AS THE TIME OF LORD COKE.

It is an old maxim of economists that where combination is possible competition is impossible. In England where there were formerly 262 railway companies but eleven now remain, and in the United States the large roads have swallowed up the small ones. It seems to be a law of nature that the strong of all creatures devour the weak. The monopoly of talons and beak over the inoffensive flesh of animals is not greater than that power of cunning that great combinations of capital wield over the small and weak. In the railways of the world this law has had signal illustration—in France, where six companies ran all the others out, and as before cited, in England, and in America.

In trade similar combinations have now come in to feed upon the less powerful ones. In California one cracker company about runs the business, so in fruit-canning interests. In Pennsylvania coal and oil monopolies ruthlessly rob the masses, and in every state are examples of this oppression. Hon. William W. Cook gives a vivid picture of these evils. He says:—

“During the past fifteen years there has been a rapid growth of manufactories. This growth has extended into all branches of manufacturing business. It has created competition, caused an overproduction, and reduced prices frequently below the cost of the article produced. Several years ago it became evident to manufacturers that they must pursue one of two courses. They had to continue the war of prices until the weaker concerns went to the wall, and a few large establishments arose on their ruins, or they had to combine, limit production, and control prices. The latter plan was adopted.

“Another cause was at work. A great

monopoly in oil had arisen and prospered. It had amassed millions of money. It had practically crushed out all competition. It had succeeded beyond the dreams even of those who originated it. It had worked out a plan and policy of organization. It was 'a success,' and the mode of combination which first succeeded in the Standard Oil Trust, and in its offspring, the American Cotton Oil Trust, set an example for manufacturers, which they were not slow to follow.

"There have been various attempts of the manufacturers to combine. The first plan was by contracts, whereby all the parties were to sell at a fixed price or through a common agent. Five years ago these contracts existed in many branches of business. They corresponded in principle and purpose to the railroad 'pools,' but, like them, they were a failure. The courts would not sustain or enforce them, and the members would not live up to them. They were short lived. The parties would not act in good faith. Se-

cret breaches were made, or the whole agreement was openly repudiated. They fell to pieces. Self-interest was the only cohesive bond, and self-interest sooner or later induced one or more to abandon and compete with the combination 'pool.'

"It became evident that a stronger method of effecting a combination must be found. It must be a method which would bind fast all who once entered into it. It must take the management and ownership of the business out of the hands of the various discordant elements which constituted the combination. It must be based, not on a moral obligation or mere agreement, but on an absolute right of property, possession, and ownership, vested in the combination itself. The old method of combination had failed because it required the continuous assent of its numerous members. The new combination could succeed only by depriving the parties of the power to withdraw their assent. A scheme that would fulfill these requisites was not easy to discover,

but it was found. It exists in the modern 'Trust.'

"A 'Trust' is a combination of many competing concerns under one management, which thereby reduces the cost, regulates the amount of production, and increases the price for which the article is sold. It is either a monopoly or an endeavor to establish a monopoly. Its purpose is to make larger profits by decreasing cost, limiting production, and increasing the price to the consumer. This is accomplished by presenting to competitors the alternative of joining the 'Trust' or being crushed out. Its organization is intricate, secret, and subtle. It is a masterpiece of modern ingenuity and fertility of resource. It is a product of the highest order of business talent and executive ability. It is at once a monument to American genius and a symbol of American rapacity.

"The term 'Trust' is popularly applied to all methods of effecting a combination in trade. It is used to designate not only



the most recent development and approved method of forming the combination, but also the primitive and crude contracts called 'pools.'"

And yet, notwithstanding the existence of all these trusts in the United States, the law clearly holds that combinations to restrict production, or to prevent competition, or to regulate prices, are illegal and void. The law which guards public interests declares that the welfare of the State demands that parties in such combinations shall have no standing in the courts. Lord Coke, that unfailing source of common law authority, said that such monopolies led to three disastrous results: an increase in price, a decrease in quality, and the impoverishment of artisans and others.

But aside from the legal view there is an important fact to be considered in connection with trusts. There is no other principal to sustain them than that which rests upon brute force of money and the cunning of those who combine. It is the

argument that might is right, and on that principle old tyrants ruled their slaves. The question is, how long will the American people stand such tyranny? \* These enormous trusts have already drawn with-

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\*As a sample, the following sugar trust membership roll will give an idea of the extent of the combination in that line alone .—

### THE SUGAR TRUST AGREEMENT.

#### —DEED.—

#### THE SUGAR REFINERIES COMPANY.

The undersigned, namely:

HAVEMEYER & ELDER,

The DE CASTRO & DONNER SUGAR REFINING COMPANY,

F. O. MATTHIESSEN & WEICHERS SUGAR REFINING COMPANY,

HAVEMEYER SUGAR REFINING COMPANY,

BROOKLYN SUGAR REFINING COMPANY,

The firm of DICK & MEYER,

The firm of MOLLER, SIERCK & COMPANY,

NORTH RIVER SUGAR REFINING COMPANY,

The firm of OXNARD BROTHERS,

THE STANDARD SUGAR REFINERY,

THE BAY STATE SUGAR REFINERY,

THE BOSTON SUGAR REFINING COMPANY,

THE CONTINENTAL SUGAR REFINERY,

and

THE REVERE SUGAR REFINERY,

in their awful grasp a large part of the business of the country, as will be seen by a list of the various business enterprises embraced in trusts, to be found in the appendix of this volume. As at present organized these institutions defy alike press, legislatures, courts, and people.

## CHAPTER VII.

### THE FUTURE OF LABOR.

THOUGHTS ON THE POWER OF MAN AND THE RESOURCES OF NATURE—CONQUERING THE ELEMENTS BY COMBINATION OF NATURAL FORCES.—LABOR-SAVING MACHINERY AND THE RE-ADJUSTMENT OF HUMAN VOCATIONS.—CULTURE DEMANDED OF FUTURE TOILERS

If there is one plain lesson to be drawn from the history of the past, a conclusion that cannot be forgotten, it is that culture liberates men from manual toil. The whole trend of civilization shows that as man has learned how to conquer nature by invention he has himself been freed from irksome toil. Emerson forcibly expresses the thought in his remarkable essay on "Civilization," where he says:—

"The farmer had much ill-temper, laziness, and shirking to endure from his hand sawyers, until one day he bethought him to put his saw-mill on the edge of a water-fall; and the river never tires of

turning his wheel. . . . I admire still more than the saw-mill the skill which, on the seashore, makes the tides drive the wheels and grind corn, and which thus engages the assistance of the moon, like a hired hand, to grind, and wind, and pump, and saw, and split stone, and roll iron. Now that is the wisdom of man, in every instance of his labor, to hitch his wagon to a star, and see his chore done by the gods themselves. That is the way we are strong, by borrowing the might of the elements. The forces of steam, gravity, galvanism, light, magnets, wind, fire, serve us day by day, and cost us nothing."

Who that has beheld the marvelous achievements of machinery in supplanting wage workers in the mechanic arts has not asked, "What is to be the outcome? What will become of men when machines do the work of production and drive workmen from the shops?"\*

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\*See Chapter II, where it is shown that the increased production has made possible the employment of the

The history of human vocations dates back to a time when the majority were hunters or fishermen, and when ninety-nine per cent. of the male population was required in those active pursuits whose object was the obtaining of food and raiment. Even before the race had emerged from the condition of mere cave-dwellers the barbaric women attended their young while the savage men were busy in their simple work-day world, getting the rude necessities of life. In those early times men died leaving no wealth for distribution among their kin. As the Sage of Concord forcibly says, "A man in a cave or in a camp, a nomad, will die with no more estate than the wolf or the horse leaves. But so simple a labor as a house being achieved, his enemies are kept at bay. He is safe from the teeth of wild animals, from frost, sunstroke, and weather; and fine faculties begin to yield their fine har-

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vast increase of population and even raised their scale of wages. Exact figures are given in the chapter.

vest. Invention and art are born, manners and social beauty and delight."

Here is the gleam of light that dawns and gives a hint that new pursuits will be called forth as new ages come. The army of progress is even to-day making drafts for more men and women to minister to the wants of culture. Girls and women now have opened to them scores of fields of industry that a few decades ago were unknown. Behold a quarter of a million operators of type-writers! See the inventor of the telephone giving employment to hundreds of thousands, and so on through the entire list of human inventions.\*

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\*NOTE.—In his report for 1886, Charles F. Peck, Labor Commissioner of New York, says:—

"One of the notable features in this age of machinery is the subdivision of labor, and this condition reacts on our workers. Nor is this confined to labor, for there is a constant drift towards specialization in all departments of human action. The great man in one branch of knowledge may be small enough in another. So with trades. And in this lies one of the obstacles to steady and remunerative employment.

There are thousands in the community whose pursuits are made obsolete by the

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The watch trade is a familiar instance. All the different parts of a watch are produced by different persons, and with such infinitesimal minuteness and absolute exactness that they can be fitted or replaced almost at hap-hazard by the expert finisher. Not only, however, in the fine and delicate minutiae of a watch is this subdivision met; it is found in coarser articles. The subdivision of labor in such a common-place manufacture as that of boots and shoes is mentioned elsewhere, and truth, though it be, seems almost incredible. Everywhere we encounter this modern peculiarity, the result of machinery. In past times the blacksmith must have been a wonderful artist, he fabricated everything from a nail to a sword, or an ornamental bit of fine metal work. To-day these items are all spread abroad into fifty or a hundred different callings. This subdivision of labor, while it simplifies products, involves the disadvantage of glutted markets and lack of employment. It used to be said that the French workman was better than the English workman in the facility with which he could turn round and do good work in two or three trades, whereas the bold Briton was tied to one. Hence the value of an extension of industries and increased facilities for education and employment, industries that shall involve the quality of art and the cultivation of taste by which, as is shown elsewhere, the industrial populations of Europe have met the difficulties of 'hard times,' whereas



skill of invention, which not only subdivides trades, but calls into being new and complex callings. The citizen whose ingenuity and education are so limited that he cannot make himself useful in new trades when his own is supplanted by iron fingers, and trained arms, and the spindles of machinery, must work at a continually increasing disadvantage. The competition of the new age is as heartless as the iron and steel of which the machines are made. The only friend of the laborer in such a plight is the fertility of his own resources, the versatility of his brain. He must have tact to engage, on short notice, in some higher pursuit or fall back upon friends or public charity for support. To follow the obsolete trade would be as unremunerative as the work of the sewing woman who starves in a garret while a

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they would otherwise have been overwhelmed. Increased methods of employment result in a more general diffusion of products and labor earnings."

See Dr. Harris' table of the evolution of vocations, in Appendix.

machine laborer makes more and better stitches in a few hours than she can make in a week; or, like the backwoodsman trying to compete, by aid of a team of oxen, with a locomotive. And yet there are workingmen who occasionally rise up in wrath and demolish harvesting machines that reap and bind the grain, and there are printers who would sweep from the face of the earth every type-setting machine; and yet to retrograde to the old era of wooden ploughs and crude utensils in the mechanic arts, would be the height of folly. For the race to return to its childhood would be dear compensation for the temporary inconvenience and even penury of the minority. The remedy is in a better brain which supplants hand labor, and directs or even invents the machine which does the drudgery.\*

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\* In this connection it is interesting to see what uses are being made of magnetism in the great steel works at Cleveland, Ohio. A large electro magnet is used, suspended from a crane to pick up steel bars and billets. It will pick up 800 pounds and drop its burden

To be able to do only those things which a machine can do, is to be forever at the

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where wanted, by the touch of a key, the movement of the crane being controlled by steam.

The *Scientific American* thus describes the type-setting machine used in the New York *Tribune* office; the linotype:—

“It is not, strictly speaking, a type-setting machine, but it forms type bars, each of the length, width, and height of a line of type, and the exact counterpart of that which a compositor would set up, except that each line is formed of one entire piece of metal, instead of as many different pieces as there are characters, spaces, etc. The key-board in front of which the operator sits, has 107 keys, each marked for its proper characters.”

Spacing and justification are perfect and automatic, and uneven spacing is a physical impossibility. Each machine displaces two men on type-setting and saves distribution of type. Thirty machines and thirty men in the *Tribune* office do the work that formerly required ninety men.

Of the Mergenthaler machine, the *Philadelphia Times* says:—

“It is possible for the operator to make corrections while forming the line, for each matrix has stamped on the side facing the operator, the character which it represents, so that he has constantly in view the matrices set up, and if he finds a mistake he can easily rectify it before casting the line. As to the speed of

door of want. The outlet from the tyranny of pauperism in the handicrafts is to rise

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the machine, a moderately skillful operator can set by it from 3,500 to 4,000 ems per hour, and it is claimed that exceptionally expert operators have set up lines consisting of thirty ems each at the rate of ten seconds per line, which would give 10,800 ems per hour. But it is not claimed that such rate of speed can be regularly and systematically sustained. Advocates of the Mergenthaler machine claim that it effects a saving of from seven to nine-tenths the cost of composition. This claim may be enthusiastic, but certainly the saving is very great."

A late Government report on mechanical education concludes as follows:—

"The relative indifference of high day wages when brought side by side with such astonishing results, is more apparent yet when we deal with industries where automatic machinery is employed almost exclusively. Screw-making, nail-making, pin-making, etc. In the latter industry the coil of brass wire is put in its proper place, the end fastened, and the almost human piece of mechanism, with its iron fingers, does the rest of the work. One machine makes 180 pins a minute, cutting the wire, flattening the heads, sharpening the points, and dropping the pin in its proper place. 108,000 pins a day is the output of one machine. A factory visited by me employed 70 machines. These had a combined output per day of 7,500,000 pins, or, 300 pins to a paper—25,000 papers of pins, allowing for

above the plane of a machine, to do some skilled labor that machines cannot do.

The 17,000,000 of people who constitute the business population of the United States are enabled, by superior combination and machinery, to excuse a large part of the population from arts of production. The chief end of man, in other words, is not to make or obtain food and raiment. In the old times the total business population could not produce more material wealth than necessary for the consumption of those dependent upon it, but to-day we need fewer hunters and fishermen, and more men and women to provide amusement and recreation, in-

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stoppages and necessary time for repairs—say 20,000 papers. These machines are tended by three men. A machinist with a boy helper attends to the repairing. \*It will not materially influence the price of pins whether the combined earnings of these five men be \$7.50 or \$10 per diem. The difference would amount to one-eighth of a cent on a paper of pins. The likelihood is that when cheaper help is employed a greater number of hands would be employed for the same work and the same output.”

tellectual and moral education, and the thousand forms of spiritual wealth upon which the civilized man feeds.\*

The future race will want more artists, scientists, and teachers. All the nooks and corners of nature of which it is possible for man to gain definite knowledge will be explored. In the wide to-morrow of civilization the masses will have leisure, greater exemption from manual pursuits, and a chance to earn bread and butter by

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\* W. T. Harris forcibly says:—

“The history of industry goes back to a time when only one in a thousand of the able-bodied population could be spared for the creation of ornament or the ministry of culture. Great progress had been reached when one in a hundred could be spared for such purposes. The United States and Great Britain have reached the point where five in a hundred of the laborers are actually pursuing vocations that have for their object the addition of ornament to what is already useful, or the direct ministration to culture in some form. When the ratio is reversed and only five in a hundred are needed to provide the crude necessary articles of consumption, and the remnant of society may devote itself to the higher order of occupations—then the economic problem will be solved.”

giving to society the service of their better faculties, by contributing to the spiritual wealth of the world. This does not mean that idleness is to reign. Habits of industry will always be necessary to give the body perfect health and the mind its highest training. The tendency of social development is from narrow to general education. The laborer of to-day must have a more varied equipment than his forefathers had, a better education, a wider range. Fewer men will be needed from year to year in those pursuits whose sole object is the production of the necessities of life, while more and more will be needed who can offer to the race sagacity, intelligent endeavor, and the fruits of culture. Society will have imposed upon it the duty of caring for the poor who toil in poverty and want, and whose capacities are too feeble to get on in the world. The energies of the lower order of workers will need to be directed by superintendents who stand at the head of the army of charity, perhaps under state direction.

The emancipation of man from those pursuits that minister to the wants of food, clothing, and shelter, and his growth into those higher vocations which furnish intellectual wealth is a brighter picture than that millennium predicted by Henry George when "water and heat are to be carried through the streets at public expense." The participation by the masses in higher vocations will cause a feeling of well-being and happiness never to be attained when they toil like work-animals in the tread-mill round of lower forms of industry. As Emerson puts it: "These arts open great gates of a future, promising to make the world plastic and to lift human life out of its beggary to a godlike ease and power."

And so the world goes on. One invention calls forth another and another, and there is no end to the explorations yet to be made during this three-score and ten years' journey of the five senses, called the life of man. The printing press photographing the world at the rate of 30,000



copies each hour, brings the lessons of the race to our breakfast tables each morning, and Mr. Edison's phonograph preserves the human voice and the characteristics of speech so that time and distance are annihilated. Then who shall set a limit to the realm of human vocations or draw a line beyond which mankind cannot go? Slumbering creation is expectant, awaiting to be aroused by combinations of intellect, when it will give up the keys to new empires of endeavor, and then educated labor will solve the problems of distressed labor and Shylock will be seen no more.

## CHAPTER VIII.

### INDUSTRIAL PEACE AND CO-OPERATIVE PROFIT-SHARING.

GROWTH OF UNIONS OR GUILDS—LAWS FOR THE BENEFIT OF LABORERS—EVILS OF UNIONS AND STRIKES—CO-OPERATION BETWEEN EMPLOYER AND EMPLOYEE AS A PREVENTIVE OF STRIKES—FUTURE WAGE WORKERS.

A little more than a century ago the laborers of England were employed under a species of slavery. Their wages were determined by their employers, and any attempt to combine for the purpose of demanding increased pay was punished by confinement in the pillory, fines, and the loss of ears. When this slavery passed away workmen began to combine in guilds, or unions, for the purpose of maintaining better wages. The absolute will of employers was no longer the supreme law, for it was the mission of the guilds to establish a more equitable basis of wages

than they had before known. In time trades-unions spread to America, and after a long series of years employer and employe alike have become accustomed to the simple wage system and its labor unions. Both manufacturer and workmen for a time liked the certainty of disbursements and receipts, the one knowing just what he would have to expend, the other just what he might hope to receive. So long as wages were established without undue clashing, unhindered by strikes, quarrels, riots and lock-outs; so long as employers conceded fair pay and fair hours, and before they combined to cut wages to the minimum of bare subsistence, the system had some features that endeared it to the people. Can the system now be said to be satisfactory? It would seem not, for antagonisms have steadily grown, gaining in bitterness with every conflict, until each party suspects every movement of the other and attributes an evil motive to every action. The constant strikes for better pay, the "shut downs"

that come from various causes, the arbitrary demands of both parties, and a thousand other incidents of the warfare, have destroyed the certainty of gains that formerly characterized the wage system. The search for a broader plan has resulted in the co-operative system of profit-sharing. This system was propounded by broad-minded men who would improve the pure wage plan, which is conducted with self-interest as the only motive, and competition as the sole regulative principle of enterprise.

Notwithstanding the evidence of positive experiments there are many employers who offer objections to co-operative profit-sharing. They have always assumed that they take all the risks and that they should have all the profits; that the workmen should in no manner become identified with the business, save as subordinates, governed by superiors; that any other system than the pure wage plan would give the workmen more or less administrative control. It is true that such

a scheme gives the workmen more rights, but it gives them no voice in the business management. The complaint that workmen would have too much power is based on the assumption that the business is entirely the affair of the employer, and that it is beyond his province to promote the welfare of his men. Resolved into its proper elements, the principle is more clearly embraced in the maxim, "Every fellow for himself and the devil take the hindmost," a complete negation of the Golden Rule, which, while it plays no part in economics, cannot be forgotten in social science. The truth is that workmen are entitled to much consideration in the business; they are factors that cannot be ignored without permanent injury to the enterprises with which they are connected.

It is not contended that workmen should have any power in the administration of the business, further than as regards determining, in conjunction with employers, their equitable share of the profits, and perhaps some voice as to duties and privi-

leges. Under a carefully drawn agreement, based on the just rule that benefits received should be proportioned to efforts expended, there would be less uncertainty of gain, and less interference by either with the business of the other, than under the present belligerent and very unsatisfactory wage system, which often robs human nature of its better qualities and widens the chasm between those whose interests are really reciprocal. The evils of the present plan are enumerated by Mr. Edward L. Day, a prominent Western manufacturer. He shows that employers are now under the direction of unions of laboring men, and pools among themselves, and concludes with the remarkable statement that "the sole functions of employers as producers are, to provide material to be worked up under rules formulated by the workmen and money to pay wages whose rate is not at all of their making." Under any view of the wage system it results in more or less clashing of interests, for with depressions, under-consumption

of products, and fluctuations of markets, there are fruitful chances for disputes.

An objection to the profit-sharing plan, so senseless as hardly to deserve notice, and which obtains chiefly in the minds of persons who are prone to view the dark side, is that if workmen should get better earnings they would squander them for liquor and other uses of the flesh. In the first place the question of what use men will make of money that is justly theirs has nothing to do with the equities of the case, but were it a relevant objection statistics show that drunkenness and immorality, also the death rate, universally increase with the decrease of wages; while good pay, as a rule, induces prosperity, better houses, better education, and a higher plane of morals. Besides, it is well known that wealth is the prerequisite of leisure, and leisure is a condition precedent to culture. No economist has ever advanced the diabolical theory that men must be starved before they will become good citizens; on the contrary, it

has always been held that a full stomach must precede high moral teachings. It is of little use to discuss moral problems and reforms with men who do not know where their next meal is to come from. Philosophy and experience both confirm the statement that high wages, on the average, ameliorate the condition of those who toil. Assume the reverse for a moment. If a man's wickedness increases with enlarged earnings, if he becomes vicious, profligate and generally worthless as his receipts for efforts expended become greater, then what term of condemnation will properly characterize those who annually make millions? In the light of such an economy the greatest philosopher is the man who can discover the lowest possible compensation on which the wage worker can subsist.

But the chief principle in the system of co-operative profit-sharing between employer and employe *is that private property and private enterprise must continue*, but with more good will and less greed.



This distinction should be borne in mind, for it is the pivotal point which distinguishes the laborer's demand from that of socialists. The socialists, even the mildest, who may condemn anarchy, claim that the end to be reached is "the cessation of private property in the means of production, which will then be held by the community for the benefit of the community." Such is the teaching of mild leaders—Dr. Edward Aveling and Karl Marx.

A wise economy says that, while labor is not entitled to all the profits of industry, it is justly entitled to its equitable percentage of the growing wealth of the country. In some manner—better by peace than by war—this manifestly meritorious claim must eventually be recognized. The laborer must have the market price of labor under competition, and beyond this—more than the interest of a servant—a percentage of profit on the investment, so that his interest and that of his employer may be made reciprocal. Such

a system is co-operative profit-sharing between employer and employe, and it redounds to the advantage of both. Under its workings there can be no strikes, riots, lock-outs, boycotts, or other industrial warfare, for labor will be in partial partnership with capital, and a wrong to one will react on the other. The pure wage system, as at present conducted in many crowded mining and factory districts of this country, is conducted on the principle that the stronger shall win. Its tendency is toward the final subjugation of the wage worker, a condition such as was experienced in Europe a few centuries ago, when laborers were the slaves of their employers.

[What is said of co-operation applies largely to extensive manufactures and not to small concerns.]

So long as competition between employer and employe is the "sole regulative principle, and self-interest the sole motive of enterprise," there can be no lasting peace, for such a principle ignores

the fact that in well-adjusted relations benevolence must counterbalance self-interest. The question as between employer and employe is how to place the business on a basis of good-will and justice. Cooperation of some kind is the final solution, because the only plan that creates "mutual interests that are operative under changing conditions, and self-regulating in action." In the operation of manufactures the cost of labor should be reckoned as a factor in the production of wealth, and estimated for its percentage of profit. The scheme of profit-sharing is made lucid by Mr. Edward L. Day, a leading western manufacturer, who has made a careful study of the problem. His succinct statement is submitted:—

"The elements of the cost of articles are interest on capital, active and fixed, taxes, insurance, repairs, allowance for deterioration and renewals, and labor. Assume as a basis of cost the usual business interest on capital, taxes, insurance, repairs, a proper allowance for deterioration and renewals, a proper compensation for the

services of proprietors, salaries, wages to unskilled workmen, and the current wages, at the time being, of skilled workmen. Each of these will compose a definite percentage of the cost not difficult to ascertain. If the selling price of articles produced just nets this cost, there is no profit; if it is less, there is loss, under the present system sustained alone by the employer; if it is greater there is profit, now unshared by the employe. If the interest on capital, compensation of proprietors, salaries, and wages were increased or decreased in proportion as the selling price was higher or lower than cost, there would be practical co-operation, in which all would share the profit or loss in proportion to their respective contributions to cost."

By consulting specimen articles of agreement which have been adopted by manufacturing concerns, it is found that a fund is set aside from the net profits as a reserve or guarantee fund, to which shall be charged all losses during the year. The surplus gained in a successful business would be an incentive to hard labor and prudence in the use of tools and materials.

In an unsuccessful year, the percentage of loss would be counterbalanced by the surplus saved in years of profit, and employer and employe would together run the legitimate risks of business prosperity or adversity, their fortunes that far being cast together. Mr. Day says that there is great economy in the use of tools and materials, and that much is gained by abolishing watchmen and overseers, saying nothing of the immense gain by reason of the immunity from labor troubles. Mr. Carroll D. Wright says that under co-operative profit-sharing "labor has received a more liberal share for its skill, capital has been better remunerated, and the moral tone of the whole community involved raised. Employment has been steadier and more certain. The interest of all has been given for the general welfare. Each man feels himself more a man. The employer looks upon his employes in the true light, as associates. Conflict ceases, and harmony takes the place of disturbances."

The profit-sharing plan is working with

eminent success in some American establishments, and it has proved to be very satisfactory in several well-known European establishments, where the results have uniformly been successful. Instances of note are the experiment by Leclaire, a leading house painter; the Paris and Orleans Railway Company; the industrial partnership established by M. Godin, at Guise, France; the experiments of Messrs. Briggs Brothers, at Yorkshire, England, and many other companies. Simple co-operation in production, which seeks to discard the wage system and employers, though burdened with innumerable disadvantages incident to limited capital, and inability of the workmen to wait till an indefinite future for their reward, has met with some degree of success in England, though it embraces none of the great advantages of profit-sharing proper. In 1882 the English Co-operative Congress at Derby reported a profit of 26 per cent. on an investment of \$10,500,000, covering 1,346 societies. The figures are certainly worthy

of attention. As to the outlook for the grander system of profit-sharing, which promises to be the solution of the direct question between employer and employe, nothing could be more encouraging than the calm conclusions expressed by Mr. Wright in his report of 1886. He says: "This system, simple in itself, humane in all its bearings, just in every respect to all the parties concerned, is the combination of all that is good in co-operation. This, the wage system and all that is good in compound system, is becoming a necessity. Under it the workman receives something more than has been accorded to him on account of the improvements in machinery; he becomes a part of the individuality of the establishment; he is lifted to a higher scale; his intelligence, his moral character, have weight in the establishment in proportion to his interest in it, and the whole concern has a better chance for prosperity, for weathering depressions, and for general happiness, than under the present wage system alone." Again

he says: "It is a pleasure to be able to state that the proprietors of many influential manufacturing establishments in this country are contemplating the organization of their establishment upon this basis. They see the success of the enterprises where this system has been adopted, and are glad to follow in so just a path."

A system so practical, so highly endorsed and so just throughout, is worthy of more attention on the part of laborers and employers than it has heretofore received. It is highly encouraging to see that it is yearly becoming more popular, and that many thinkers have acknowledged that it will, in some form, be the final solution of the problem of peace in factories and mines.

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\*NOTE.—George M. Powell of Philadelphia contributes to the November (1887) *Journal of Social Science* the following interesting information:—

"An interesting American example of profit-sharing is that at Peacedale, near Providence, R. I. An important item in its success is that the proprietors have their own unpretentious homes among their people, instead of living in lordly style in some distant city.



## PART II—UNIONS AGAIN.

The army of labor, in seeking to win victories, often pursues war methods. It

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They have also urged and aided the members of their industrial family to secure homes. A free library has been given them by the proprietors, the Messrs. Hazard. The general principle of division there seems to be to give labor and capital each half of the profits; profits being what is left after paying wages and current expenses and modest interest on a capital of \$250,000. Four hundred and fifty persons are employed, and for more than a generation this has been known as a successful industrial Christiana community. The proprietors belong to the Society of Friends. They own all the stock, and they aim at success by saving of wastes more than by buying cheap and selling dear. They treat the bonus they pay their people as honest dues for care and faithful service, not as a gratuity. Those acquainted with this industrial family are satisfied that its financial gain, while respectable in amount, has not been so great through participation as the moral effect. The care and painstaking of labor, and the fraternal and paternal interest of proprietors and people in each other, have developed character, conscience, personal thrift, and intelligence, of far greater value than money.

“Profit-sharing in the Pillsbury Flouring Mills at Minneapolis, Minn., is worth study. They have an annual output of \$10,000,000 worth of flour; also

is not organized in the defensive alone, for many of its methods are aggressive as well. Organization seeking to force concessions means conflict, a long struggle for the redress of actual and alleged wrongs, the enlargement of rights and the limitation of duties. Incensed by long abuses, labor is often cruel in its warfare, and sometimes tyrannical and singularly blind in its demands. While its methods are often justifiable, they are at best, necessary evils incident to the conflict in progress. The

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\$8,000,000 more of grain elevator operations. Two and a half millions are required for running expenses and interest on capital. Average men who have been in their employ five years receive participatory bonuses amounting to 50 per cent. in one year, in addition to full average wages of that region. Those occupying places of special care and responsibility have received bonus additions to such wages of 65 per cent. 'Yet the company,' says Mr. Carroll D. Wright, 'consider that their plan of profit-sharing has greatly increased their own profits by the voluntary service of their men in times of need. By their interest in the business and in other ways, the evident good-will of their employes is regarded as the most important and agreeable result.'"

unions of laboring men often do much in the way of promoting industrial education and keeping alive the feeling of brotherly love. Besides this, many such organizations deprecate strikes and open warfare; yet a union in itself is not a guarantee that its members shall escape from the errors of human judgment, and from the disaster entailed by open warfare. As a result of bitter strifes with non-union workmen, the spirit of war has often been engendered to such an extent, among union artisans, that they have been relentless in their opposition to those who have patronized their enemies,—but such battles have been legitimate, if war is legitimate. Trades-unions regulate the price of labor so that individual workmen are unable to compete for places, all rates being subject to union scale-list. By any scale-rates there is a virtual corner on wages, and this monopoly of wages is as unyielding as the iron necessity that compels workmen, in some cities, to accept the rates dictated by pools of employers. At best

the union dictates, and since it is composed of fallible beings, its dictation may often be absurdly unjust. The employer is frequently delayed by useless restrictions and unwarranted interferences in his business; when there is a clashing of interests, the combatants measure arms, and the employer is threatened with war; should he grow weary of the union and hire non-union men, they are frequently locked out, or perhaps hindered by force from going to work; should the employer desire to rid his business of an incompetent man, he is, if that man chances to be a Knight of Labor, sometimes defied and despised by all the unions and Knights of Labor assemblies in the district, and should he refuse to submit to the arrangements made by delegated committees, his goods are often boycotted and publicly condemned. These are some of the extremes into which labor has frequently blundered. In time the workmen thus begin to regard those who hire them as their worst enemies, and the chasm between the two

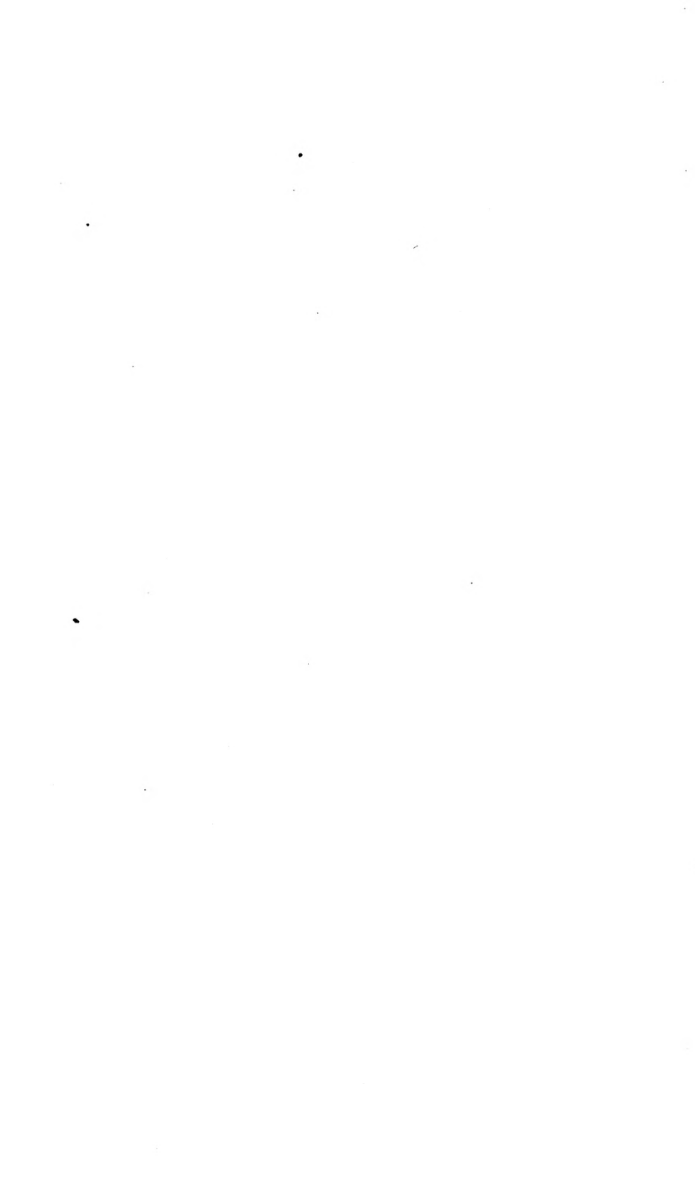
classes is made wider, until both parties become bitter and uncompromising, forgetting, apparently, that an injury to one is, in the end, an injury to the other, and to society at large. Thus, notwithstanding the many advantages of unions, they are not free from patent evils.

As a correlative of trades-unions, capitalists and employers combine to modify the wages paid to workmen. Finally they become aggressive, dictating and enforcing such wage-lists as they deem proper. They claim the absolute right to name the wages, gauge the working hours, and select the persons who shall do their work. They seek to prohibit unions of workingmen, and they peremptorily discharge agitators. Organized in this manner, having felt the evils of union mandates, and still retaining feelings of hatred for those who may have injured them, they often accumulate vast fortunes, and yet, during the most prosperous eras, deny to their workmen even the smallest advance in wages. In a state of peace, with a flourishing busi-

ness and good-will between employer and employe, the proceedings of both parties would be dictatorial. But this is not an era of industrial harmony, and the methods of peace cannot be expected to prevail. Undeniably there is war, and there is a steadily growing feeling of discontent with present conditions. The daily papers contain accounts of frequent conflicts, where police and military forces are almost powerless to prevent great disaster to life and property, while a few memorable strikes have been the great news items of the day. There is hope and prophecy in W. D. Howell's reference to the conflict, in "Annie Kilburn." He says:—

"The lines are drawn harder and faster between the rich and the poor, and on either side the forces are embattled. The workingmen are combined in vast organizations to withstand the strength of the capitalists, and these are taking the lesson and uniting in trusts. The smaller industries are gone, and the smaller commerce is being devoured by the larger.

. . Yet in the labor organizations, which have their bad side, their weak side, through which the forces of hell enter, I see evidence of the fact that the poor have at last had pity on the poor, and will no more betray and underbid and desert one another, but will stand and pull together as brothers; and the monopolies, though they are founded upon ruin, though they know no pity and no relenting, have a final significance which we must not lose sight of. They prophesy the end of competition; they eliminate one element of strife, of rivalry, of warfare."





## APPENDIX.

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THE following pages contain valuable information in the form of data, tables, and extracts from eminent writers' works:—

### THE MODERN SLAVERY.

The following words on the railway slavery are from the pen of Hon. George W. Julian, in the March, 1883, *North American Review*:—

“Slavery, indeed, has been abolished, at least so far as legislation could take away the power of the master; but the freedmen have not yet been emancipated from the thralldom imposed by property and intelligence upon the helplessness of poverty and ignorance. The spirit of aristocracy has not been ‘purged out of the community’ in either section of the Union, but has simply taken refuge in other forms, and is still putting forth the full measure of its evil power. While the chattel slavery of the Southern negro is

at an end, the animating principle of the old slave-masters still finds manifold expression. It reveals itself in industrial servitude, which borrows its life from the alliance of concentrated capital with labor-saving machinery. Its maxim is, that the chief end of government is the protection of property, which is easily translated into the kindred maxim, that capital should own labor. Its tap-root is pure cupidity, and, if left to itself, it degenerates into a system of organized rapacity, with conscience and humanity turned adrift. Commercial feudalism is another form of aristocratic rule. It wields its power through the machinery of great corporations, which are practically endowed with life offices and the right of hereditary succession. They control the makers and expounders of our laws, and are steadily advancing along their chosen line of march toward absolute supremacy."

## BUSINESS POPULATION OF THE UNITED STATES. 1880.\*

Classes, 1880.	Persons Occupied.	TOTAL, ALL OCCUPATIONS, 17,392,099.							
		ALL AGES.		10 to 15		16 to 59.		60 and over.	
		Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
Agriculture. ....	7,670,493	7,075,983	594,510	484,869	125,862	5,888,133	435,920	602,983	22,728
Professional and personal services	4,074,238	2,712,943	1,361,295	127,565	107,830	2,446,962	1,215,189	138,416	38,276
Trade and transportation .....	1,810,256	1,750,892	59,364	26,078	2,547	1,672,171	54,849	52,643	1,968
Manufacturing, mechanical and mining .....	3,837,112	3,205,124	631,988	86,677	46,930	2,978,845	577,157	139,602	7,901
<b>All Occupations.</b>	<b>17,392,099</b>	<b>14,744,942</b>	<b>2,647,157</b>	<b>825,189</b>	<b>293,169</b>	<b>12,936,111</b>	<b>2,293,115</b>	<b>933,644</b>	<b>70,873</b>

\*NOTE.—These figures are from the last census of the United States. The census of 1890 will doubtless show, as this does, that the agriculturists constitute nearly half of the business population.

## LANDMARKS IN THE RAILWAY FIGHT.

The following are some landmarks in the railway movement:—

I.—The Legislative Committee that investigated the management of the Erie Railroad in 1873, concluded its report as follows:—

“It is not reasonable to suppose that the Erie Railway has been alone in the corrupt use of money for the purposes named; but the sudden revolution in the direction of this company has laid bare a chapter in the recent history of railway management such as has not been permitted heretofore. It exposes the reckless and prodigal use of money, wrung from the people to purchase the election of the people’s representatives and to bribe them when in office. According to Mr. Gould, his operations extended into four different states. It was the custom to contribute money to influence both nominations and elections.”

II.—The third semi-annual report of the Railway Commissioners of Georgia, dated May 1, 1881, says:—

“The moral and social consequences of these railway corruptions are even worse than the political; they are simply appalling. We contemplate them with anxiety and dismay. The demoralization is worse than that of war, because fraud is meaner than force, and trickery meaner than violence. Aside from their own corruptions, the operators aim directly at the corruption of the press and the government.”

III.—Speaking, in October, 1886, of the tyranny of Pennsylvania railway corporations, and of their combinations to run up the price of coal, Governor Pattison said:—

“It extorts from the profits of shipment all that the traffic will bear, and often more than it will bear, doing this without a reasonable regard to the cost of service or the right of shippers. It causes violent fluctuations in prices, making all trade dependent upon its movements, and holding a perpetual menace over the material interests of the country. Against such combinations the individual is helpless.”

IV.—Governor Lee, of Virginia, in addressing the people, said:—

“Combat great money corporations that seek to control your Legislatures, federal and state, by bribery and corruption. . . . Draw the fangs from the money kings. . . . Organize against capitalists who furnish money to carry elections, and then claim as their reward the selection of the rulers.”

V.—Hon. M. K. Turner, of Nebraska, in addressing the people, said:—

“With no straining of the eyes we see men who run for office in this state in the interest and at the bidding of railroads; and officials elected by votes of the people, who come and go, who talk and vote at the dictation of the political attorneys of the railroad companies.”

VI.—A clear writer in a Western daily says:—

“Mr. Croffut, in his recent sketch of the Vanderbilt family, a sketch written for the purpose of belauding the Commodore

and his progeny, says that among the principles of the elder Vanderbilt were these: To water stock and increase dividends. He relates with great glee how the old hero and his friend, Tobin, put up a game on the Legislature and made several millions out of a conspiracy."

VII.—The *Irish World* says:—

"It is well known that, here in New York and in other states, the railways act on the principle of extorting from the shippers of goods the uttermost penny that can be wrung from them. It is not improbable that if the companies continue in this robbery, public opinion will, in the end, compel the states to take the railroads under their control."

VIII.—An unknown correspondent recently sent me the following estimate, which is worth studying:—

"Live hogs before fattening are shipped in lots of 100 to 130 head per car, and after fattening, in lots of 60 to 100 per car, according to weight and condition.

"If a car-load of 130 hogs were shipped across the continent, they would not

charge more than \$600 for the car, which would amount to about \$4.62 for each hog. The companies are charging from \$150 to \$600 per car for transcontinental freight. It costs them no more to *pull* a car-load of hogs than any other kind of freight. If 130 hogs were taken for \$150, it would cost for each hog only \$1.16 for a trip. Now, counting the cost of a passenger coach at \$5,000, the interest at six per cent. for one seat for one day would amount to one and one-third cents; at a cost of \$10,000, the interest would be two and two-thirds cents; at \$20,000, the interest would be for one seat one day five and one-third cents, and for seven days, or the trip across the continent, thirty-seven and one-third cents. It would cost as much or more than that to handle each hog. The hog is only charged \$1.16 for crossing this great American continent, while the passenger is charged \$151.50. From this it would seem that the hog is a favored and superior being.

“How long are the passengers going to pay 130 times the price of a hog’s passage, when they know that two passengers can be hauled for what it costs to haul and handle one hog.”



IX.—The railway really originated in England, where it has, all things considered, reached the most formidable proportions as an institution. In 1845 the Gladstone Act proposed that the state should purchase the roads, but that idea was abandoned, and the question in England has really reached a state of quiescence, and a few great companies control the monopoly of the railway business. The Belgian Government own 60 per cent. of the railroads there, and private enterprise owns and controls the remaining 40 per cent. The one is a wholesome check to the other, and competition has fair play. France was very slow in the development of railways, and not until 1837—when English and American trunk lines were really planned and started—did France take any movement towards organizing roads. The matter is undertaken in France by private companies, which are limited to districts, in which each company is supreme and free from competing lines, but the government arranges tariffs,

time-tables, etc. There are six or seven large railway districts. In Germany the theory of bureaucracy prevails. The Germans approach the problem in a cool and scientific manner. Nearly all the roads are private companies, subsidized by the state, or else the state is a heavy shareholder in the roads. At any rate the omnipotent hand of government in Germany regulates everything about the roads, from the freight and passenger rates, down to the provision for safety. It is said that the English-speaking races have favored the idea of private control, while the continental nations, whose governments are peculiarly strong in the executive departments, favor the state control idea. Our English-speaking nations are stronger in the parliamentary or legislative branches, and commissions or bureaucratic control have not been favored. The emancipation of the track, as I advocate, combines the best points of both the continental and the English or American system.

X.—The reader should clearly under-

stand that state ownership of the railway tracks would involve the employment of comparatively few officers. For instance, the total number of men engaged in railway service (exclusive of clerks and book-keepers, agents, etc., of passenger and freight departments) in 1880, was 236,058, and out of this comparatively small number many must be excluded, for, as there were 29,000 locomotives, at least 75,000 of this 236,058 must have been engaged as firemen and engineers. Then there were many thousand employed as brakemen and conductors. There are now 125,000 miles of railway in the United States. I estimate that the track furnishes employment to less than one man per mile, so that for all the states and territories the tracks would, after all, not employ any considerable number of men. The reader can readily reason the problem out for himself and quickly see that the state ownership of the roadbed would not perpetuate corruption in power. The position of section-hand is not so enticing.

Again, state ownership does not mean that all men will go into the railway business. No more than a practical number would go into that calling. The baker, the printer, would not desert the old calling.

#### ENORMOUS EARNINGS.

The following is from the report of the Committee of Transportation of the American Economic Association:—

The enormous rate at which railroad traffic has increased may be seen from the following table, taken from Nimmo's Report on Internal Commerce of the United States, for 1884:—

Total number of tons (of 2,000 pounds) transported upon the New York state canals, the New York Central and Hudson River Railroad, the New York, Lake Erie and Western Railroad, and the Pennsylvania Railroad, each year from 1868 to 1883, inclusive.

YEAR.	New York State canals*	New York Central and Hudson Riv- er Railroad.*	New York Lake Erie and Western Railroad.*	Pennsylva- nia Railroad Division.†
	TONS.	TONS.	TONS.	TONS.
1868...	6,442,225	1,846,599	3,908,243	4,722,015
1869...	5,859,080	2,281,885	4,312,209	5,402,991
1870...	6,173,769	4,122,000	4,852,505	5,804,051
1871...	6,467,888	4,532,056	4,844,208	7,100,294
1872...	6,673,370	4,393,965	5,564,274	8,459,535
1873...	6,364,782	5,522,724	6,312,702	9,211,231
1874...	5,804,588	6,114,578	6,364,276	8,626,946
1875...	4,859,858	6,001,954	6,239,946	9,115,368
1876...	4,172,129	6,803,680	5,972,818	9,922,911
1877...	4,955,963	6,351,356	6,182,451	9,738,295
1878...	5,171,320	7,695,413	6,150,568	10,946,752
1879...	5,362,372	9,015,753	8,212,641	13,684,041
1880...	6,457,656	10,533,038	8,715,892	15,364,788
1881...	5,179,192	11,591,379	11,086,823	18,229,365
1882...	5,467,423	11,330,393	11,895,238	20,360,399
1883...	5,664,056	10,892,440	13,610,623	21,674,160

\*From annual report of Auditor of Canal Department, State of New York.

†From annual reports of Pennsylvania Railroad Company.

From this table it appears that the tonnage transported on the New York Central and Hudson River Railroad increased from 1,846,599 tons in 1868 to 10,892,440

tons in 1883; that the tonnage transported on the New York, Lake Erie, and Western Railroad increased from 3,908,243 tons in 1868 to 13,610,623 tons in 1883; and that the tonnage transported on the Pennsylvania Railroad increased from 4,722,015 tons in 1868 to 21,674,160 tons in 1883. The total tonnage transported by rail on these three roads increased from 10,476,857 tons in 1868 to 46,177,223 tons in 1883.

The growing importance of the railway as compared with the canal under our present system is very evident from the above table. Much of this traffic was "through traffic," *i. e.*, traffic which went from the West to the East, while a much larger proportion of it was interstate traffic, *i. e.*, traffic which crossed at least one state line. It appears, from the reports of New York state officials, that the traffic on the Erie canal increased from 4,729,654 tons in 1865 to 5,009,488 in 1884; while the traffic on the railroads competing with it ran in the same time from 3,609,640 to 22,123,895 tons.

## THE TRUST EVIL.

In speaking of Trusts, William W. Cook of the New York bar, says:—

The American people have become alarmed at the growth of "Trusts." The Standard Oil Trust and the American Cotton Oil Trust have sown their seed in a fertile soil, and the rank growth is to-day polluting the air and stifling the existence of healthy life and progress. It is currently reported and believed that the "Trust" monopolies have drawn within their grasp not only kerosene-oil and cotton-seed oil, but sugar, oatmeal, starch, white corn-meal, straw paper, pearled barley, coal, straw board, castor-oil, linseed-oil, lard, school slate, oilcloth, salt, cattle, gas, street railways, whisky, rubber, steel, steel rails, steel and iron beams, nails, wrought-iron pipes, iron nuts, stoves, lead, copper, envelopes, paper bags, paving pitch, cordage, coke, reaping and binding and mowing machines, threshing machines, ploughs, glass, and water works.

And the list is growing day by day. Millions of dollars in cash or property, are being drawn into the vortex.\*

The fabulous profits which flow from an absolute "Trust" have dazzled the minds and set on fire the imagination of men. Manufacturers are rushing into the maelstrom. They are staking their fortunes on the venture, and, in their dreams of the future they see a rich and golden stream of wealth rewarding their daring plans.

They reason well and ably. Cheaper production is to result; multitudes of officers are to be dispensed with; superintendents, traveling salesmen, and expensive advertisements are to be diminished; raw material is to be purchased more cheaply; the highest order of administra-

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\* "The anthracite coal combination of Pennsylvania, one of the most remarkable monopolies in the United States, comprises six railways, which own 195,000 acres of anthracite coal land out of a total of 270,000 acres."—*Richard T. Ely, in Harper's Magazine*, July, 1886, p. 255.



tive ability is to be procured; inventions are to be encouraged and used; overproduction is to be prevented; permanency of employment is to be ensured; more certain returns on capital are to be guaranteed; insolvencies, resulting from competition, are to disappear; production on a large scale is to decrease the cost thereof; large and new enterprises, requiring great capital, great risk, and great powers of administration are to be undertaken; and finally, they argue within the secrecy of their conclave that the public is at their mercy, and that prices may be advanced. Silently, rapidly, and successfully their schemes are being consummated. No shock from the outer world has disturbed the progress of their plans.

#### EVOLUTION OF VOCATIONS.

Dr. W. T. Harris furnishes the following table of industries, showing the growth of vocations. His "Right of Property and Ownership of Land" is a pamphlet that every student should possess.

I. *The Lower Order—The Production of Necessities.*

1. Procuring raw materials.
  - (a) Agriculture and grazing.
  - (b) Hunting, fishing.
  - (c) Mining (including petroleum wells, etc.).
2. Transportation.
  - (a) Teaming.
  - (b) Railroad.
  - (c) Water transportation.
3. Transformation of Products.
  - (a) Textile fabrics, cloth and clothing.
  - (b) Wood and metal work.
  - (c) Leather.
  - (d) Miscellaneous.

II. *The Higher Order—Production of Means of Luxury, of Protection, and of Culture.*  
The vocations that provide.

1. Means of luxury and creature-comfort, including manufactures that require a higher order of educated, technical skill.
2. Means of protection, including
  - (a) Those who provide amusement and recreation.
  - (b) The medical profession.
  - (c) The legal profession.

- (*d*) Officials managing public works or public charities, also government officials.
  - (*e*) Insurance companies and the directive agents of companies formed for guarding the interests, general or special, of society as a whole or of any particular part of it—charitable associations, trade unions, etc., etc.
3. Instrumentalities of Culture.
- (*a*) Moral and religious — churches, etc.
  - (*b*) Intellectual and moral education —schools and libraries.
  - (*c*) Aesthetic—including all trades that produce ornament on useful goods or that produce works of art in sculpture, painting, music, poetry, and literary art, landscape gardening etc., etc.—also all influences that cultivate taste,—the formation and care of art museums, etc.
  - (*d*) The collection and diffusion of information, editing and printing of books and newspapers, telegraph operators, etc., etc.
  - (*e*) Pursuit of science and the invention of devices useful in the arts.

## ADVANTAGES OF THE ERA.

From Simon N. Patten's essay on the consumption of wealth, the following is taken:—

“By the changes in consumption which modern progress has made possible, the welfare of society has been improved in two important respects. Through a great reduction in cost, many more articles than formerly have a low ratio of cost to utility, and thus the inducement to labor has been greatly increased. In the second place, the greater variety of our wants allows them to be supplied with a smaller proportional labor. For a people with few wants, all their land must be used to supply these wants, even though most of it is better fitted for other uses; while, with every increase in the variety of our wants, all the qualities of each soil and climate can be better utilized. Were the actions of men controlled only by the laws of human nature and those of the external world, our present economic condition

would be greatly improved. We have inherited a world much better fitted for supplying our wants than that possessed by our ancestors; but along with this better economic world have also been inherited laws, habits, and prejudices, suited only to the artificial surroundings of our ancestors. Only when our prejudices have been removed, and our laws and habits modified so as to harmonize with our present environment, can we hope to utilize all our resources and to have all that variety in our consumption which a better conformity to natural laws will permit. We do not need a new world or a new man; but we do need a new society and a state whose power will be superior to that of any combination of selfish individuals, and whose duties will be commensurate with human wants.

The following is from the pen of Mr. Charles W. Thomas, a well-known lawyer and student at Woodland, California: "The 'workingman' as presented in literature is an assemblage of possibilities and

incoherencies. As such, no general idea is or can be true about him. In fact he belongs to no political party, being moved always in that line by self interest. Much of the literature on the subject of the 'workingman' is nothing but fertilized fancy of diseased imagination. Every class of persons has its degrees and orders.

"There is a material difference between the tiller of the soil and the worker of the material. Generally speaking, the farmer is his own master, laborer, and the recipient of the products of his toil. He is far removed from the centers of political power and partisan corruption. He is more of the freeman and less of the slave, and therefore his condition in life and his relation to political institutions make it possible for him to become the forgotten man. On the other hand, the great cities are the radiating centers of journalism, of education, of culture, and of commercial enterprise; which, for good or bad, mould the institutions of our country; and so near them lives the 'workingman' of a hand-

icraft, that he cannot distinguish their trend for good or evil; nor can he recognize the need of political discipline to attain to a contented citizenship. He is moved toward that party which promises relief from real or imaginary wrongs. He sees no difference between statesmanship and partisanship.

“Economists give too much attention to the abstract idea of capital and labor and too little to the capitalist and the laborer; they devote too much time to the discussion of the assumed principles, and too little to the discussion of the personality, of capital and labor. In the solution of this mixed social and political problem, the tendency is to regard capital and labor as inanimate elements and factors. There is more in capital than mere ‘barren metal,’ and more in labor than mere muscle. There is such a thing as the intelligence of capital; and there is such a thing as the intelligence of labor. Education on the line of contact is what is needed. The danger of disagreement is

nominal so long as the relation of the capitalist and laborer is direct and personal. The greatest and most dangerous conflict comes when the capitalist is 'seven times removed,' and the strained relationship of master and servant is established between the servant under servant of the one master—the capitalist."



## ALPHABETICAL INDEX.

	PAGE.
ABBOTT'S, Lyman, Position.....	97
Agriculturists, Number of.....	52
ADAMS, C. F., on Railroads.....	54
Advertisements for Places.....	17
Advantages of the Era.....	172
Beef Cattle, Growth of.....	91
BROUGHAM on Poverty.....	18
Business Population of U. S.....	155
CLARE'S, Sister Frances, Ideas.....	81
Control of Railroads.....	70
CORTHEL on Freights.....	52
Co-operative Associations.....	43
CHENEY, E. P., on Capitalists...	33
Combinations, Evils of.....	29
Complaints, Cause of.....	15
Complaints of the People.....	9
Civilization, Changes Made by.....	12
Combination Destroys Competition.....	108
Culture Frees Man.....	116
Capital's Arbitrary Claims.....	32, 33
Competition among Railroads.....	63
DISCRIMINATIONS of Railways.....	62
Dexter on Co-operative Societies.....	43
Distribution of Wealth.....	34, 35, 36, 37
Denison on Property Rights.....	10

Discoveries of the Future.....	128, 9
Day, Edward L., on Profits.....	139, 141
Earnings of the People .....	88
ELY, R. T., on Co-operative Associations.....	43
English Hard Times.....	19
ERA, Problems of the .....	9, 10
Economy, Motto of Private.....	11
Expenditures Enlarged.....	15
Early Vocations.....	118
Education for New Pursuits.....	121, 7
Employers, Stubborn.....	132
Equitable Share of Profits.....	137
Employers against Unions. ....	148, 9
FERTILITY of Soil .....	91
Farms, Value of.....	83, 84
Farmers' Low Earnings.....	63
Freight Receipts Increased.....	70
Future Race, Demands of... ..	126
Freight Rates.....	47, 8, 9, 50
Freights Suddenly Increased... ..	50
Farmers, How Robbed.....	50
Farmers, Vast Number of.....	51, 52
Feudalism, the Modern.....	46
Factories, Number Idle.....	22
Fortunes, Growth of.....	13
GENERALIZATIONS, Value of.....	20
George's Ideas.....	74, 5, 6, 7, etc.
Giffin on Wages.....	42
Government, Socialism of .....	103
HARRIS on Henry George.....	82, 91, 2, 3, 4, etc.
Houses, Value of in U. S. . .	83
Highways, History of.....	58

HUDSON on Feudalism.....	46
HARRIS, W. T., on Price-levels....	40, 41
Howells, W. D., on the Poor .....	15
Hard Times, Facts about. ....	16
Higher Vocations.....	128
Howells, W. D., on Labor.....	150
Harris, W. T., on Trades.....	169, 70, 71
Illinois, Wages in.....	45
INCOME Taxes.....	38, 39
Ingersoll on the Labor Question.....	23, 24
Industrial Depressions....	12, 13
KENMARE, the Nun of.....	81
Kingsbury on Workingmen.....	11
LANDS First Occupied.....	91
Law of the Highway .....	5, 7, 58, 60, 61
Labor, Wages of.....	45
Labor, the <i>Examiner</i> Bureau of.....	17, 18
Lockouts that Fail.....	20, 21
Labor, Divisions of.....	14, 119, 120
Labor in the Future....	116
Labor, its War Methods.....	145, 6
• Labor's Blunders.....	148
MALTHUSIAN Theory.....	91, 92
Marx and Henry George.....	38, 74
MULHALL on Land Values.....	84
MALLOCK on Henry George.....	89, 90
Manhattan Island's Value.....	90
Machinery's Work.....	44
Machinery, Horse-power of.....	45
Mulhall on Incomes.....	39, 40
Machinery Employs More People.....	41, 42
Monopoly's Evils.....	25

Machinery Cheapens Products.....	27
Markets Cornered.....	28
Machinery, Effects of.....	117
MACAULEY on the Poor.....	19
Machinery, Competition of..	121
Magnets that Do Work.....	122
Monopolies, G. W. JULIAN on.....	153, 4
NATIONALISM, Growth of .....	9, 10
Necessaries, Prices of.....	40
New York, Labor in.....	18
OVERCAPITALIZED Railroads.....	66
Old Times and New... ..	11
PAUPERS, Number of.....	91
Population, Increase of.....	92
Property, the Function of.....	93, 94
Production of the U. S.....	100
Property Values in the U. S.....	82
Pennsylvania, Railroads in.....	62
Products, Increased Use of.....	42, 3
Pickard on New Education.....	44
Paupers in New York.....	38
Poor Growing Poorer, etc.....	38
Price-levels, Value of.....	40, 41
Products, Cornering of.....	28
Pattison, Governor, on Pools.....	30, 31
People Idle in 1885.....	22
Problems for Solution.....	8
Profit-sharing .....	130
Poor, Society to Care for.....	127
Population, Number Who Work .....	126
Pins, Manufacture of.....	124
Profit-sharing Agreements... ..	134

Profit-sharing, Examples of . . . . .	145, 6
Profit-sharing Analyzed . . . . .	139, 142
Powell on Profit-sharing . . . . .	144
Poor on Watered Stock . . . . .	66
REED'S, Homer, Ideas . . . . .	80
Ratio of Land Values . . . . .	84, 87
Rent, Amount of . . . . .	84, 85
Rent, Per Capita of . . . . .	85, 86
Railways, Overcapitalized . . . . .	66
Robbery by Railroads . . . . .	71
Railway Mottoes . . . . .	47
Railway Problem Defined . . . . .	47, 56
Railway, the Real Problem . . . . .	49
Rogers on Wages . . . . .	26, 27
Russian Communism . . . . .	107
Railway Companies Fewer . . . . .	108
Remedy against Machinery . . . . .	122
Railway Data . . . . .	156, 166
SOCIALISM, History of . . . . .	104
Spencer on Socialism . . . . .	105
Socialism . . . . .	96
Socialism Defined . . . . .	99
Spencer Abandons Land Ideas . . . . .	75
Stations with Competing Lines . . . . .	64
Sovereign Ownership of the Track . . . . .	65
Steam Engines, Number in Use . . . . .	45
Speech, Excesses of . . . . .	24
Strikes, Number of . . . . .	20
Statistics, the Story of . . . . .	16
Socialists, Demands of . . . . .	137
Self-interest . . . . .	138
Speech, the Freedom of . . . . .	7 .

THOMAS, C. W., his Ideas.....	173, 4, 5
Trusts.....	108 to 115
Train-dispatcher's Testimony.....	68, 9
Traffic, How Charged.....	47
Transportation, Reduced Cost of.....	48
Train Load, Increase of.....	52, 53
Trusts, Evils of.....	32, 167, 168
Trades, Evolution of.....	118
Type-setting Machines.....	123
Trusts, Law Against.....	107, 8
Trusts, a Sample Agreement.....	114
UNIONS, Growth of.....	131
Unions, Evils and Benefits of.....	147
Unions, Tyranny of.....	147
VOCATIONS, Evolution of.....	169, 70, 71
Village Community.....	106, 107
WAGES, Harris on... ..	102
Wages, Increase of... ..	40, 42
WOMEN, New Work for.....	119
Wright, Carroll D., on Labor.....	21
Workingmen, Kingsbury's Ideas of.....	11
Wealth, Increase of.....	25, 26
Wall Street's Earnings.....	26
Wealth, Three Ways to Gain It.....	27
Wool, Increase of.....	91
Woolsey on Socialism.....	98
Workmen, Their Hatred of Machines.....	122
Workmen, Fewer Manual.....	125
Workmen, Too Much Power of.....	133
Wages, Their Effect on Morals.....	135
Wright on Profit-sharing.....	141, 143
Workingmen in Literature.....	173, 4, 5



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